House
REPUBLICAN
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Week of July 26, 1999 | Vol. XXVIII, #22, July 23, 1999

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

Monday, July 26

House Meets at 12:30 p.m. for Morning Hour and 2:00 p.m. for Legislative Business
(No Votes Before 6:00 p.m.)

**** Four Suspensions**

Tuesday, July 27, and the Balance of the Week

Tuesday, House Meets at 9:00 a.m. for Morning Hour and 10:00 a.m. for Legislative Business
Wednesday, House Meets at 10:00 a.m. for Pro Forma Session.
Thursday, House Meets at 10:00 a.m. for Legislative Business
Friday, House Meets at 9:00 a.m. for Legislative Business

Lake Oconee Land Exchange Act

S. 604

Committee on Agriculture
No Report Filed
Referred to the House on July 15, 1999

Floor Situation:

The House is scheduled to consider S. 604 under suspension of the rules on Monday, July 26, 1999. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

S. 604 directs the Agriculture Secretary to complete a land exchange with the Georgia Power Company. Specifically, the bill authorizes the Agriculture Secretary to convey approximately 1,280 acres of federally-owned lands in Georgia and to make a payment of $23,250 to the Georgia Power Company. In exchange, the Georgia Power plans to convey an equal amount of land within or near the Chattahoochee National Forests and Oconee National Forest in Georgia. In addition, the bill prohibits the Federal Energy Regulatory Commission (FERC) from charging an occupancy fee for interests conveyed to the company. The exchange was agreed to by the Forest Service and the Georgia Power Company on August 17, 1998.

The bill is designed to provide new protections for wilderness areas while simplifying the boundary between land controlled by the Forest Service and Georgia Power. Additionally, S. 604 protects the endangered red-cockaded woodpecker and allows public use of a trout stream. Finally, the bill promotes better administration of hunting regulations and management of prescribed burns by the Forest Service.

Costs/Committee Action:

CBO estimates that enactment will have no significant impact on the federal budget. The bill affects direct spending, so pay-as-you-go procedures apply; however, CBO estimates that the cost to the federal government will amount to less than $100,000 annually.

The Senate passed the measure by unanimous consent on June 28, 1999. The bill was not considered by a House committee.

Kristen Werner, 226-2302

Clarifying Ex-Im Bank Board Requirements

H.R. 2565

Committee on Banking & Financial Services
No Report Filed
Introduced by Mr. Leach *et al.* on July 20, 1999

Floor Situation:

The House is scheduled to consider H.R. 2565 under suspension of the rules on Monday, July 26, 1999. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.R. 2565 clarifies the quorum requirements of the board of directors for the U.S. Export-Import Bank. Specifically, the measure allows the current board membership (i.e., two board members) to constitute a quorum until October 1, 1999 and codifies the three-director requirement after that period. The bank's charter currently requires a quorum (i.e., three directors) of its five-member board to conduct business. However, since July 21, the bank has had only two directors and three vacancies. No nominations have been made for these vacancies even though the Senate officially forwarded a recommendation. Bill supporters maintain that without prompt action by the administration—and subsequently by the Senate—to resolve this issue, the bank will be prohibited from making any new financial commitments and may jeopardize approximately $7 billion worth of transactions, particularly in Asia and Latin America.

The Export-Import Bank is an independent U.S. government agency that is responsible for financing and promoting exports of U.S. goods and services. With a budget of nearly $1 billion, the bank finances approximately five percent of U.S. exports annually. It provides guarantees and insurance to commercial banks to make trade credits available to U.S. exporters on a limited basis, primarily to counter subsidized trade benefits offered to foreign exporters by their governments.

Costs/Committee Action:

A CBO cost estimate was unavailable at press time.

The bill was not considered by a House committee.

Kevin Smith, 226-7862

Authorizing the Release of Records on Missing Persons in Southeast Asia

H.Res. 172

Committee on House Administration
No Report Filed
Introduced by Mr. Gilman *et al.* on May 13, 1999

Floor Situation:

The House is scheduled to consider H.Res. 172 under suspension of the rules on Monday, July 26, 1999. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.Res. 172 directs the Archivist of the United States to allow public access to the records of the House Select Committee on Missing Persons in Southeast Asia. The reports assembled during the 94th Congress were reported to the House but have not been made available to the public. Since the end of the conflict in Vietnam, there remain approximately 2,016 people unaccounted for in Southeast Asia. H.Res. 172 allows families of the missing individuals to gather information that was previously restricted by the Select Committee.

The House Select Committee on Missing Persons in Southeast Asia, also known as the Montgomery Committee, concluded that no Americans were still being held alive as prisoners in Indochina. The commission's goal was to open a dialogue with the government of Vietnam to discuss the whereabouts of missing Americans following the Vietnam War. Members of the committee traveled to Paris to meet with Vietnamese officials to discover if North Vietnam violated the Paris Accords (January 1973), which mandated that Hanoi release all American prisoners of war as a condition of U.S. withdrawal from the region. The committee sought to continue their dialogue with officials from Hanoi; however, additional attempts to inquire about specific individuals were rebuffed by the Vietnamese.

The standard period of classification for such records is 50 years. However, during the 102nd Congress, the Senate declassified its records on missing persons in southeast Asia, which had been assembled by the Select Committee on POW and MIA Affairs. The information contained in these records is no longer deemed sensitive.

Costs/Committee Action:

A CBO cost estimate was unavailable at press time.

The bill was not considered by any committee.

Haydn J. Richards, Jr., 226-2302

Organ Donor Leave Act

H.R. 457

Committee on Government Reform
H.Rept. 106-174
Introduced by Mr. Cummings *et al.* on February 2, 1999

Floor Situation:

The House is scheduled to consider H.R. 457 under suspension of the rules on Monday, July 29, 1999. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.R. 457 increases the amount of paid leave for federal employees who serve as organ donors. The bill allows seven days of paid leave for bone marrow donation and 30 days for organ donation in any calendar year. This time is in addition to annual sick leave. Current law allows federal employees only seven days of paid leave for organ donation. More than 54,000 people are currently on an organ transplant waiting list. Approximately 4,000 people die each year waiting to receive organ donations. Seven days is usually an adequate period of time for recovery from bone marrow donation; however, recovery from organ donation can be lengthy.

Costs/Committee Action:

CBO estimates that enactment will have no significant impact on the federal budget. The bill does not affect direct spending, so pay-as-you-go procedures do not apply.

The Government Reform Committee reported H.R. 457 by voice vote on May 19, 1999.

Mary Rose Baker, 226-6871

Regulatory Right-to-Know Act
H.R. 1074

Committees on Government Reform
H.Rept. 106-168
Introduced by Mr. Bliley *et al.* on March 11, 1999

Floor Situation:

The House is scheduled to consider H.R. 1074 on Monday, July 26, 1999. On Thursday, July 22, the House adopted a modified open rule providing one hour of debate, equally divided between the chairman and ranking member of the Government Reform Committee. The rule makes in order a committee substitute amendment as base text. It makes in order only those amendments that have been pre-printed in the *Congressional Record*. The chairman of the Committee of the Whole may postpone votes and reduce the voting time on a postponed vote to five minutes, so long as it follows a regular 15-minute vote. Finally, the rule provides one motion to recommit, with or without instructions.

Summary:

H.R. 1074 requires the president, acting through the director of the Office of Management and Budget (OMB), to submit to Congress a comprehensive annual accounting statement and report containing an estimate of the total annual costs and benefits of federal regulatory programs (including rules and paperwork) beginning February 5, 2001. Costs and benefits must be specified (1) in the aggregate; (2) by agency, agency program, and program component; and (3) by major rules.

The OMB director must include the net benefits or net costs for program components, major rules, and significant options in the case of existing analyses. The accounting statements must cover the current fiscal year, the two preceding fiscal years, and the four fiscal years following (this is identical to the time series used in the U.S. Government Budget). In addition, the accounting statement must include:

* an analysis of the impact of federal rules and paperwork on (1) state, local, and tribal governments; (2) the private sector; (3) small business; (4) wages; (5) consumer prices; (6) economic growth; (7) public health; (8) public safety; (9) the environment; (10) consumer protection; (11) equal opportunity; and (12) other public policy goals;

* an analysis of overlaps, duplications, and potential inconsistencies among federal regulatory programs; and

* recommendations to reform inefficient or ineffective regulatory programs or program components.

The bill directs the OMB director to provide notice to the public and a public comment period before submitting the report to Congress. The OMB director must include an appendix to the report that addresses public and peer review comments. The bill also requires the OMB director to consult with the Council of Economic Advisors and issue guidelines to standardize the (1) most reasonable measures of cost and benefit; (2) means of gathering information necessary to prepare accounting statements; and (3) the format of accounting statements, including summary tables. In addition, the bill directs OMB to commission two or more nationally recognized organizations to provide an independent and external peer review of OMB's guidelines and each accounting statement and associated report. Upon completion of the peer review, the reviewers must provide the OMB director with a written report.

Proponents of H.R. 1074 contend that federal regulations impose tremendous costs and restrictions on the private sector. They believe that Congress should be fully aware of the impact of regulatory programs on the economy and innovation, their costs and benefits. Regulatory costs for 1999 will exceed $700 billion (or $7,000 for the average family). This cost represents more than the average American family spends annually on medical expenses, food, transportation, recreation, clothing, and savings. H.R. 1074 will standardize the cost-benefit data that agencies currently must provide and ensure that federal programs are not overly cumbersome. In addition, proponents believe that the burdens of regulations will not be eased until Congress and the public have full access to information from regulators and agencies are accountable for the costs and benefits of such regulations.

Opponents argue that H.R. 1074 will overly burden OMB by requiring significant analysis of regulations, thus straining OMB staff and resources. They argue that estimates of the costs and benefits will not result in improved effectiveness of regulations, but will in fact underestimate regulatory benefits and overestimate their costs. For example, the Environmental Protection Agency (EPA) estimated that it would cost businesses $600 per ton to comply with the proposed acid rain controls. Because of increased technology, however, the actual cost today is less than $100 per ton. In addition, opponents contend that the requirements of H.R. 1074 are duplicative since the 1996 Regulatory Flexibility Act (*P.L. 104-121*) requires agencies to study the impact of proposed and existing rules on small businesses, small organizations, and small governments and the 1995 Unfunded Mandates Reform Act (*P.L. 104-4*) requires agencies to analyze the costs of federal mandates on state and local governments and the economy.

Background:

Over the last thirty years, the number and scope of federal regulatory programs and regulations has significantly increased, particularly social regulatory programs dealing with health, safety, and the environment. Currently, over one hundred federal agencies, along with their subdivisions, issue regulations. Many of these regulations are necessary to safeguard the public's health and safety and to protect the environment. However, they also render significant costs. In 1999, federal regulatory programs accounted for taxpayer costs of nearly $700 billion. Regulations can hinder both public and private resources and sometimes result in costs that exceed benefits. In addition, regulations can increase costs for goods and services, decrease our nation's competitiveness in the global economy, and force state and local governments to spend funds complying with regulations that could be used on programs such as education and crime prevention. The Small Business Administration (SBA) estimates that small business owners spend at least one billion hours annually filling out government forms at an annual cost of $100 billion, while many small businesses remain unable to afford to provide health care benefits to their employees.

Costs/Committee Action:

Assuming appropriation of necessary amounts, CBO estimates that enactment will increase federal reporting costs by less than $500,000 a year. The bill does not affect direct spending, so pay-as-you-go procedures do not apply.

The Government Reform Committee reported H.R. 1074 by voice vote on May 19, 1999.

Mary Rose Baker, 226-6871
Haydn J. Richards Jr., 226-2302

Disapproving Normal Trade Relations Status for the People's Republic of China

H.J. Res. 57

Committee on Ways & Means
H.Rept. 106-___
Introduced by Mr. Rohrabacher *et al.* on June 7, 1999

Floor Situation:

The House is scheduled to consider H.J. Res. 57 on Tuesday, July 20, 1999. Joint resolutions are privileged and may be considered any time three days after they are filed. On July 23, the House agreed to a unanimous consent request to provide three hours of general debate, equally divided between the chairman of the Ways & Means Committee (in opposition) and a member in support of the resolution. The agreement waives all points of order against the resolution and its consideration.

Summary:

H.J. Res. 57 rejects President Clinton's decision to extend normalized trade relations (NTR) status for products from the People's Republic of China for another year. On June 3, 1999, the president announced his intent to renew NTR trading status for China. The president's action automatically extends China's NTR status for one year, beginning July 3, unless Congress passes a joint resolution disapproving the extension within 60 days of the July 3 effective date. In 1998, the House defeated a resolution (H.J.Res. 121; *H.Rept. 105-638*) to deny NTR status to China by a vote of 166-264.

The resolution is highly controversial. Opponents of NTR for China argue that the U.S. should base China's trade status on its observance of human rights and its adherence to nonproliferation agreements. They maintain that China should be punished, rather than rewarded, for continuing to ignore U.S. requests to cease its policies of brutally suppressing peaceful political dissent, for exporting nuclear and missile technology to rogue nations, and for acts of espionage and theft of U.S. nuclear technology. Supporters of NTR counter that revoking China's trading status will isolate the country, bolster nationalist and militant factions during an important period of political transition, and ruin any chance of getting Chinese cooperation on human rights, nuclear proliferation, or a host of other regional issues. Proponents contend that revoking NTR will inflict a heavy cost on many export-dependent sections of the U.S. economy and cost a significant number of jobs for working families.

Background:

As part of the 1998 IRS Restructuring and Reform Act (*P.L. 105-206*), Congress changed the designation "Most Favored Nation" to "Normal Trade Relations." NTR status entitles producers from a specific country to pay the lowest tariffs available to any other trading partner for goods imported into the U.S. (tariff rates may vary from product to product). It is not preferential treatment; rather, it constitutes the standard U.S. policy for nondiscriminatory multilateral trade. Although the U.S. originally extended NTR status to all of its trading partners pursuant to the 1948 General Agreement on Tariffs and Trade (GATT), the 1951 Trade Agreements Extension Act required the president to withhold or suspend NTR from the Soviet Union and other communist-controlled countries that employ restrictive emigration policies.

The Jackson-Vanik provisions of the 1974 Trade Act (*P.L. 93-618*), which governs U.S. trade relations with communist countries, authorize the president to waive the 1951 freedom-of-emigration requirements and extend NTR status to communist countries if doing so "substantially promotes" freedom of emigration in that country. The extension expires on July 2nd each year, but may be extended by the president on an annual basis. On June 3, 1999, the president formally transmitted to Congress his recommendation to waive the 1974 Trade Act's freedom-of-emigration requirements, thereby extending China's NTR status through July 2, 2000. The NTR extension may be disapproved by Congress through a joint resolution within 60 days after the previous waiver authority expires (i.e., by September 2). Congress has an additional 15 legislative days to attempt to override a veto of its disapproval resolution.

NTR and China

President Nixon's historic visit to China in 1972 began an ongoing effort by the U.S. to integrate the People's Republic of China into the world community, first through diplomatic recognition and later through enhanced trade and cultural ties. The U.S. first granted NTR to China on February 1, 1980, and has extended it annually ever since.

During the early 1980s, granting NTR to China generated little controversy as the country instituted much-touted political and economic reforms promoted by its leader, Deng Xiaoping. However, after the brutal 1989 massacre of pro-democracy demonstrators in Tiananmen Square and the subsequent crackdown on political dissent throughout the country, China's human rights abuses have received increased attention and the annual NTR extension has been repeatedly contested. In recent years, Congress has attempted to terminate or condition NTR for China, but has either failed to muster the necessary majority for passage or has been unable to override presidential vetoes.

In 1993, when President Clinton renewed NTR for China, he issued an executive order laying out seven conditions—such as allowing free emigration for political dissidents, stopping the export of goods made by prison labor, and adhering to the International Declaration on Human Rights—for China to meet in order to receive any future extensions. However, the president reversed this policy when he decided to renew NTR for China in 1994, declaring his intention to "de-link" China's progress on human rights with its trading status.

The Policy of Engagement

As part of delinking human rights issues from NTR, the president outlined what he called a policy of "engagement" based on the premise that the U.S. will best be able to influence the growth of democratic and market-oriented policies in China through enhanced diplomatic and trade ties, which over time will bring a dramatic improvement in human rights.

In support of their argument, policymakers point to the success of engagement with similar Asian nations that have transitioned to true democracies, such as South Korea, Japan, and Taiwan. When the U.S. established diplomatic relations in 1972, they note, China was a rigid totalitarian state that relied on centralized market planning and government ownership of business. Today, after extensive economic liberalization initiated by Deng Xiaoping, non-state enterprises account for around 60 percent of Chinese output—and more government enterprises are privatizing each year. Trade and cultural ties have exposed many Chinese to America and its ideals, as Chinese students attend U.S. universities and as U.S.-China trade continues to climb. Mr. Deng's liberalization policies included some political reforms as well. Although the Clinton Administration remains deeply disappointed with China's human rights situation, it notes that the climate of personal and political freedom has improved markedly since the Cultural Revolution of the 1960s and early 1970s, when Maoist Red Guards unleashed a ghastly wave of show trials and mass-murder that paralleled the great purges of Stalinist Russia.

Furthermore, the Chinese government has made efforts to cooperate with the U.S. on both economic and regional security issues. It negotiated a first-ever agreement with the U.S. in 1995 to protect intellectual property rights and crack down on the piracy of American software, books, compact discs, and films; although critics have argued that China has not done enough to enforce the agreement, the PRC has periodically closed down a number of pirate factories and awarded lawsuit claims to software and book publishers. China cooperated in ending the civil war in Cambodia and discontinued its support for the Khmer Rouge, as well as helped to negotiate an agreement with North Korea to get that country to stop its nuclear weapons development program. Because it is a nuclear power with the world's largest standing army, China is a pivotal player in Asian security issues. The president argues that damaging the U.S.-China relationship will impede our ability to continue to enforce nuclear nonproliferation accords and to resolve territorial disputes in the South China Sea.

The U.S. has a strong economic interest in increased trade with China as well. With an economic output that the World Bank estimates will reach $10 trillion by early in the next century, China is on the path to becoming the largest economy in the world. In September 1998, the country announced an extensive effort to rebuild its infrastructure, and will purchase over $1.2 trillion of equipment for roads, power generating facilities, and transportation and communications systems over the next three years. Last year China bought nearly $14.3 billion worth of American goods; an estimated 200,000 American jobs depend on trade with China.

Because China is the second largest beneficiary of direct foreign investment after the U.S., trade supporters argue that any attempt to limit U.S. trade with China will simply divert Chinese investment and trade opportunities to multinational corporations from Japan and Europe. Truly isolating China, they point out, is not an option because so many nations are competing to do business in that country's growing market. Furthermore, China no longer takes seriously any threats to revoke its NTR status, as Congress has been unable for over a decade to muster sufficient votes to take NTR away. This has led proponents of granting permanent NTR for China to argue that the annual NTR debate is no longer a useful tool for influencing the PRC's behavior.

Opponents Attack China NTR over Human Rights

While trade supporters trumpet how far China has come economically and how many improvements it has made in human rights since the 1970s, NTR opponents call attention to how many problems still exist and how far China has to go—so far, they argue, that the U.S. should be denouncing China rather than engaging it. Some critics note that, in 1998, the trade deficit with China amounted to $57 billion and others express concern about its high-technology military exports to Iran, Pakistan, and Burma. However, most base their stand on principled humanitarianism, telling story after story of harrowing human rights abuses on the mainland.

They cite evidence that the Chinese People's Liberation Army (PLA) administers an extensive nation-wide system of slave labor through the *Laogai*, the gulag-like prison labor camps that the army uses to manufacture a wide variety of commercial and industrial goods. The PLA sells these goods abroad, often as cheap exports to countries like the United States. It apparently uses the proceeds from these lucrative sales—together with profits from running hotels, construction companies, and investment firms in China—to finance its efforts to modernize China's rapidly growing military forces. Human rights monitors estimate that over six million Chinese are detained in the *Laogai*, and note that individuals can be forced to work many years in these labor prisons for minor offenses, are often imprisoned without due process, and sometimes are executed arbitrarily or worked to death. Scattered reports accuse the PLA of selling the organs of executed prisoners to patients needing transplants. The State Department has found no evidence to corroborate the charge, although it does not rule out the possibility that the practice occurs.

The *Laogai* system is just one component of China's troubled record on human rights, which includes the widespread use of torture and summary executions, unpublicized arrests, and secret trials and sentencing. In addition to arresting political dissidents, the Public Security Bureau has consistently persecuted religious minorities—such as Christians—using force to break up religious gatherings and holding priests and nuns in jail for years on end. China has long been criticized for its religious and ethnic persecution of the Tibetan people. After invading and annexing Tibet in 1951, and forcing the Dalai Lama—the Tibetan god-king—into exile in India, the Chinese government has mounted a fierce campaign to eliminate the Tibetans' tantric Buddhist culture, including deporting Tibetan children to other Chinese provinces for reeducation, resettling Tibetan land with ethnic Chinese, and razing ancient Tibetan monasteries. The mere display of the Dalai Lama's picture in Tibet may be cause for arrest. Small numbers of protesters are simply packed off to prison; large numbers have sparked bloody crackdowns—not only in Tibet, but in other remote provinces as well.

One of the most feverishly debated human rights issues is China's "one child per family" population control policy. Failure to comply with these strict limits may lead to fines or the denial of precious housing benefits. In some instances—particularly in minority-dominated areas—the government has imposed forced abortions and sterilizations. These policies have led to a marked increase in female infanticide, since peasant families eager to have a son may kill daughters in order to have another shot at making their "one child" a male.

The Clinton Administration continues to express displeasure with China's lack of any human rights progress—an embarrassment for the administration after its decision to delink NTR—and has repeatedly raised serious concerns over reported missile and nuclear technology sales to Pakistan and the sale of nuclear reactor technology and other weapons to Iran, including anti-ship cruise missiles. In the wake of India's and Pakistan's nuclear tests in June, such concerns have been expressed anew. China also has become more belligerent towards its neighbors in the last few years. In an attempt to intimidate Taiwan in March 1996, the PRC conducted major naval exercises off the Taiwanese coast during its election and fired missiles into the shipping lanes near its major port cities. Taiwan's President Lee Teng-hui said on July 10, 1999, that its ties with China should be considered "state-to-state relations," directly challenging Beijing's claim to sovereignty over Taiwan. A top Taiwanese official later reinforced these remarks by rejecting the long-standing "one-China" policy adhered to by both Taiwan and China since the late 1940's.

Certain actions by the U.S. have aggravated China as well. The U.S. continues to sell significant amounts of arms to Taiwan, including a $420 million sale in August 1996. Most disturbing to Chinese officials was the U.S. decision to allow an official visit by President Lee Teng-hui to Cornell University (his alma mater) in May 1995; in retaliation, China recalled its ambassador to the U.S. for an indefinite period, canceled several high-level exchanges between U.S. and Chinese officials, and called off talks on missile technology controls. Amid media reports in early 1999 of Taiwan's interest in working with the U.S. to defend against a growing ballistic missile threat from mainland China, PRC officials warned the United States not to transfer the Theater Missile Defense System and relevant technology to Taiwan. In April 1999, the Clinton Administration sold to Taiwan advanced early warning radars useful against missile attacks. Many voices from across the political spectrum have called for an aggressive strategy of "containment" towards China, which has led Chinese leaders to view virtually every U.S. diplomatic move in Asia with suspicion, especially U.S. moves to normalize relations with Vietnam, a former enemy of the PRC.

Missile Technology Transfers

In the wake of the Space Shuttle *Challenger* disaster in 1986, U.S. companies began using Chinese rocket launch services to place satellites into orbit. After the Tiananmen Square massacre and the discovery of Chinese missile technology transfers to Pakistan, Congress and President Bush levied myriad sanctions against the People's Republic of China in 1990 and 1991 that prohibited further technology transfers to that country, including satellite exports. However, these sanctions may be waived in instances where the president determines that it is in the national interest to do so. Since 1991, the sanctions have been waived 13 times—three times by President Bush and 10 times by President Clinton—for a total of 20 satellite launches in China.

Early in 1998, congressional attention turned to U.S. satellite exports to China and raised the specter of espionage and theft of U.S. nuclear technology. According to a *New York Times* front-page article on April 13, 1998, a classified May 1997 report by the U.S. Defense Department concluded that scientists from Hughes and Loral Space and Communications—involved in studying the 1996 crash of a Chinese rocket launching a Loral satellite—had turned over scientific expertise to China that had significantly improved the reliability of China's missile launch abilities. The doomed Loral satellite had been granted an export license as a result of President Clinton's waiver of satellite restrictions on exports to China.

The Cox Report

In June 1998, Congress established a select committee—chaired by Representatives Chris Cox and Norm Dicks—to investigate possible illegal technology transfers from U.S. firms to the Chinese military as well as reports of Chinese espionage at government nuclear weapons research facilities.

According to its declassified report released in May 1999, the Cox committee concluded that, since the late 1970s and "almost certainly" continuing today, the PRC has pursued intelligence collection through not only espionage, but also through review of unclassified publications and interaction with U.S. scientists at the Energy Department's national laboratories. The PRC has "stolen" classified information on the most advanced U.S. thermonuclear weapons, giving the PRC design information on such weapons "on a par with our own." The information includes classified information on (1) seven warheads, including "every currently deployed thermonuclear warhead in the U.S. ballistic missile arsenal;" (2) the neutron bomb; and (3) a number of reentry vehicles of U.S. missiles. The information acquired by the PRC on U.S. nuclear warheads included the design of the W88, the most advanced, miniature U.S. nuclear warhead deployed on the Trident D-5 submarine-launched ballistic missile (SLBM). Furthermore, press reports revealed that the Clinton Administration had suspected since 1995 that China was involved in such acts but failed to take any corrective action to stop it.

The Cox committee focused on potential implications for U.S. national security, judging "that the PRC will exploit elements of the U.S. design information on [its] next generation of thermonuclear weapons." The PRC successfully tested smaller thermonuclear warheads from 1992 to 1996 (prior to its July 1996 announcement of a nuclear testing moratorium and its September 1996 signing of the Comprehensive Test Ban Treaty). The report stated that information lost from DOE labs accelerated Chinese nuclear weapon modernization and "helped the PRC in its efforts to fabricate and successfully test its next generation of nuclear weapons designs. These warheads give the PRC small, modern thermonuclear warheads roughly equivalent to current U.S. warhead yields."

A Strategic Partnership?

The last several years have seen a flurry of political and economic activity—both positive and negative—that affects the U.S.-China relationship, including the reversion of Hong Kong to Chinese rule and the transition of political power from the late Deng Xiaoping to China's current leader, Jiang Zemin. In October 1997, Mr. Jiang and President Clinton held a summit in Washington, D.C. In 1998, Clinton visited China, marking the first presidential visit there since the Tiananmen Square massacre in 1989. The two world leaders, in their effort to build a "strategic partnership," discussed issues ranging from human rights, nuclear proliferation, and environmental protection. Against the backdrop of the economic crisis roiling the Asia-Pacific region, most discussions involved issues of economics and trade came to the fore, since both nations have a significant stake in shoring up Asian economies.

President Clinton and Premier Zhu Rongji met in April 1999 to continue negotiations regarding China's possible accession into the World Trade Organization (WTO). Chinese leaders have stated that gaining entry into the WTO is a major Chinese priority because they believe that it will enable China to gain permanent NTR status with the United States and provide it access to the multilateral trade dispute resolution process, reducing the threat of unilaterally imposed restrictions on Chinese exports. In order to join the WTO, China must change many laws, institutions, and policies to bring them into compliance with international trade rules.

Over the past several years, the Chinese government has maintained that it is a "developing country," and therefore should be admitted under fairly lenient terms, which would give it several years to bring its trade regime in compliance. The United States and other WTO members contend that China is a major economic and trading power and must be required to make substantial reforms within a relatively short period. Chinese officials have contended that many such reforms, if implemented too rapidly, would cause many Chinese firms to go bankrupt, resulting in widespread layoffs and social unrest. U.S. officials have countered that admitting China under lenient terms may undermine support for free trade in the WTO. While both sides have reported significant progress on these issues, an accession agreement has yet to be reached.

On May 7, 1999, a U.S. aircraft mistakenly bombed China's embassy in Belgrade, killing three Chinese nationals. Within a day, President Clinton apologized for the incident. After three days, Defense Secretary William Cohen acknowledged the "institutional error" that resulted in the use of outdated maps by the United States. News of the bombing caused an almost immediate outpouring of anti-American anger and protest in Beijing and many other Chinese cities. Chinese police sat idle as a throng of protesters hurled rocks through windows at the American embassy in Beijing, keeping Ambassador James Sasser a virtual prisoner for almost a week. China also brought its diplomatic relations with the United States to a standstill, suspending talks on human rights, arms control, military exchanges and, more recently, barring U.S. Navy ships from entering Hong Kong for rest stops.

Furthermore, the Chinese Government has imposed new laws to strengthen the Communist party and further restrict freedom of speech, the formation of political parties, and religious activities. For example, the new restrictions prohibit evangelical activities and require all religious groups to register with the Religious Affairs Bureau (which requires that religious groups reveal the names and addresses of their members, their contacts in China and abroad, and details about their leadership and activities).

Both supporters and opponents of extending NTR status for China agree on this: The PRC is an emerging world power and will substantively impact U.S. national security and economic interests—as well as those of the Asia-Pacific region—in the 21st century. The central question remains: What is the best strategy for bringing about political and economic reform in China while securing our own national security and economic interests?

Arguments For and Against Extending NTR for China:

Arguments Against NTR for China and For H.J. Res. 57

Twice in this century the U.S. has met the challenge of confronting oppressive totalitarian regimes, first against Nazi Germany and later against the Soviet Union. Both powers were brutal dictatorships that crushed political dissent and visited horrible atrocities on their citizenry while they invaded neighboring states and promoted militarism abroad. Did we overcome these challenges to our well-being by investing in those countries and bolstering their governments with economic backing? Certainly not. We stood by our principles. So why are we continuing to extend NTR status to China, a country guilty of committing egregious human rights abuses, promoting unfair trade practices, invading and annexing neighboring nations, exporting nuclear missile technology to rogue states, and stealing our nuclear secrets?

The Chinese government has for years used its army, the PLA, to unleash terror on its citizenry through torture, rape, and execution. Dissidents are not tolerated and are often murdered or worked to death in the *Laogai* gulags. With methodical viciousness, the government continues to oversee the destruction of any vestige of Tibetan culture. It carries out its draconian population control policies without remorse. Is this a government we should be propping up through trade?

The Chinese government isn't even a dictatorship that supports U.S. interests in the region. Rather, it exports military hardware to rogue states like Iran—including technology that will speed Iran's aspirations for a nuclear weapon and cruise missiles that it can use against U.S. ships in the Persian Gulf—and destabilizes the balance of power between Pakistan and India by providing the former with missile components that it can use to construct nuclear-tipped ballistic missiles. The Chinese regime also facilitates terror elsewhere, providing the Burmese government with arms it can use to crush its own populace. Are our interests really served by supporting the political destabilization of Asia and the Near East?

China's reaction to the recent accidental U.S. bombing of its embassy exemplifies the limits of constructive engagement. The calculated encouragement of nationalistic riots was a message to the United States: stop pushing China on human rights, espionage, missile defense, and Taiwan, or else China will unleash the deep reservoir of assertive nationalism within its borders and abroad. China seems to sense weakness in the Clinton Administration and believes it can extract strategic concessions from the United States as the price of an isolated accident. This is not the behavior of a strategic partner.

The theft of U.S. nuclear secrets by Communist China is surpassed only by the complete abandonment of security precautions at the Energy Department under the Clinton Administration, as well as a brazen attempt by the administration to keep the knowledge of this catastrophic transfer of weapons technology from Congress and the American people. One is struck by the mind-boggling loss of our country's most deadly secrets, the magnitude of which cannot be overstated. Why do we continue to reward Communist China? Will we ever learn?

The U.S. is nothing without principle. As the world's only remaining superpower, we must demonstrate strength through compassion—principle before profit. Thousands of people die every year in China because of torture, abuse, and imprisonment. Millions are left without hope in a system that prevents individuals from thinking, speaking, or worshipping freely. Our attempts to engage China and bring it into the world of nations through trade have failed—our investment does nothing more than enrich China's tyrannical government as it continues to bleed its citizenry and attempts to expand its hegemony across Asia. To continue to turn a blind eye on a country that supports terror at home and nuclear proliferation abroad is to sell our conscience, our common-sense, and our credibility.

The time has come again to stand for principle, to support those who yearn for freedom. We should turn aside those who would buy a policy of appeasement with money earned from sold ideals—such a policy has failed us in the past and will fail again. Let us no longer put our financial backing behind tyranny and totalitarianism. Vote for the resolution and against NTR for China.

Arguments for NTR for China and Against H.J. Res. 57

Chinese civilization has existed for over 4,000 years and has a proud tradition of managing its affairs for most of this time without any input from the U.S. It is pure folly to think that the U.S. can have a meaningful, positive influence on China's internal affairs by provoking a trade war with it. Everyone wants to see a fully democratic China that respects basic human rights. But the pathway to democracy is through free and open markets. Withholding NTR is a step in exactly the opposite direction, one that is contrary to U.S. economic and strategic interests.

Extending NTR trade status to China and continuing our current open policy toward that country balances a host of U.S. strategic, commercial, political, and human rights interests in China. Rather than restricting trade and isolating China, we should use non-trade means to bring about human rights progress, such as (1) cooperating with U.S. businesses investing in China to develop a set of voluntary principles for doing business there, (2) increasing international broadcasts to China, and (3) expanding private and multilateral efforts to encourage progress on human rights. Disapproving NTR status for China undermines significant ongoing efforts to bring that country into the global community of free-market, civilized, open nations.

Renewing China's NTR status offers the best opportunity to place U.S.-China relations in a broader and more productive framework. We should continue to promote broad engagement between the U.S. and China, not only through economic contacts, but also through cultural, educational, and other exchanges as well. Keeping the flow of products and ideas open, combined with aggressive efforts to promote human rights, is far more likely to encourage constructive change in China than simply slamming the door. Continuing our relationship with China will allow us to make critical advances in other areas of vital interest, such as ensuring regional security, non-proliferation, and narcotics control, as well as expand economic growth and create jobs at home. Revoking NTR status for China would severely disrupt trade in the region and might prompt further currency devaluations—precisely what Asian economies do not need.

China's most brutal periods of repression took place when it turned inward and isolated itself from the world. Cutting off NTR will weaken China's ties to the West and increase repression. It will also lead to a trade backlash from China, including retaliatory sanctions. A trade war with China will harm American exports—particularly agricultural products, power-generating machinery, and aircraft—and kill as many as 200,000 jobs in this country. Denying NTR will boost tariffs on Chinese products, increasing the average importer's cost by 44 percent. Of course, this translates into higher prices for U.S. consumers.

The United States is on the verge of a major trade agreement regarding the terms for Chinese accession into the WTO. Such a breakthrough would open Chinese markets to American products, companies, and workers and bring China under global trade rules and enforcement procedures. This is especially important to our agricultural industry, which is experiencing a serious economic downturn because of declining U.S. exports to Asia. The Agriculture Department estimates that Asia will account for 75 percent of the increase in U.S. farm exports over the next 10 years and China alone will account for half that increase.

China is a permanent member of the U.N. Security Council, a nuclear power, and an influential member of the international community. It represents a huge potential market and is one of the world's major civilizations. China's cooperation is essential in dealing with the global challenges of non-proliferation, the environment, refugees, and controlling narcotics traffic. Why jeopardize losing important cooperation in these arenas just to provoke a trade war? Let us maintain our policy of engagement with China. Vote against the resolution and for the president's decision to renew NTR.

Costs/Committee Action:

CBO estimates that enactment will increase revenues by $507 million in FY 2000 (by increasing the tariff rates imposed on China's exports to the U.S.). The resolution affects direct spending, so pay-as-you-go procedures apply.

The Committee on Ways & Means ordered H.J. Res. 57 reported adversely (*i.e.*, disapproved, but still moved to the House floor) by voice vote on July 1, 1999.

Other Information:

"Satellite Maker Gave Report to China Before Telling U.S.," Jeff Gerth, *New York Times*, May 19, 1998; "Gingrich Plans Panel on China and Clinton Tie," Alison Mitchell, *New York Times*, May 19, 1998; "Was Pentagon Opposition to China-Technology Squelched?," John Diamond, *Associated Press*, May 19, 1998; "Justice Department Investigates Satellite Export Deal," Robert Suro, *The Washington Post*, May 17, 1998; "Clinton Defends 'Principled Pragmatic' Approach to China," Peter Baker, *The Washington Post*, June 12, 1998; "Sell Them Anything," Matthew Rees, *The Weekly Standard*, September 8, 1997, p. 25; "Documents Show Satellite Waiver Not Routine," *The Washington Post*, June 1, 1998, p. A13; "NSC Papers Trace Concerns on Export Waivers for China," *The Washington Times*, p. A10; "Red Scare," *U.S. News & World Report*, June 8, 1998, p. 20; "China-U.S. Relations," *CRS Issue Brief* 98018, July 10, 1999; "Most Favored Nation Status of the People's Republic of China," *CRS Issue Brief* 97039; "Chinese Proliferation of Weapons of Mass Destruction: Current Policy Issues," *CRS Issue Brief* 92056, July 7, 1999.

Kevin Smith, 226-7862

FY 2000 Energy and Water Development Appropriations Act

H.R. 2605

Committee on Appropriations
H.Rept. 106-253
Submitted by Mr. Packard on July 23, 1999

Floor Situation:

The House is scheduled to consider H.R. 2605 on Tuesday, July 27, 1999. The Rules Committee is scheduled to meet on the bill at 5:00 p.m. on Monday, July 26. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

Highlights:

H.R. 2605 appropriates $20.2 billion in new budget authority for FY 2000 for the Department of Energy and related programs, $880 million less than in FY 1999 (this includes $664.7 million in emergency supplemental spending) and $1.4 billion less than the president's request. The vast majority of the bill's funding, $15.5 billion, is allocated to various programs run by the Department of Energy (DOE), $1.5 billion less than both the FY 1999 level and the president's request.

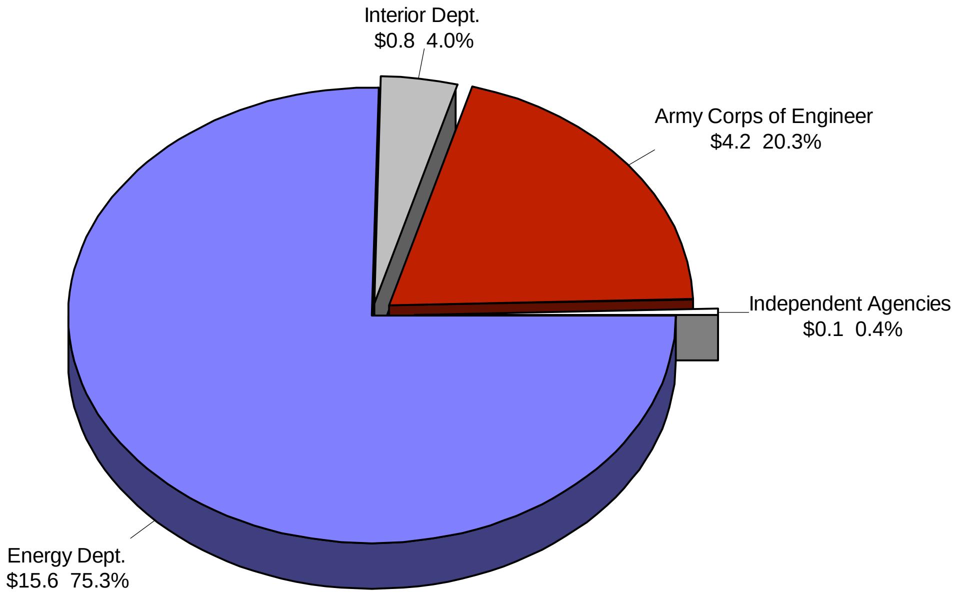
In addition, the measure appropriates $4.2 billion for the Army Corps of Engineers, $91 million more than in FY 1999 and $283 million more than the president's request, to maintain and expand the nation's waterway, flood control, and irrigation infrastructure. Finally, the bill allocates $822 million to the Interior Department, mostly for the Bureau of Reclamation, and $84 million for related independent agencies.

Sticking Points

* **U.S. Nuclear Labs**. Many lawmakers argue that the Department of Energy's confusing organizational structure and overlapping lines of responsibility have created an agency with ineffective management, little accountability, and skyrocketing costs. These flaws have been highlighted by the recent revelation of decades-long Chinese espionage penetration at U.S. national labs. The committee cites President Clinton's Foreign Intelligence Advisory Board, which recently heralded the same findings about DOE's "organizational disarray, managed neglect and a culture of arrogance" that warrants organizational restructuring by Congress. Additionally, the Cox report that detailed the penetration of U.S. nuclear labs reached many of the same conclusions and noted that DOE failed to take quick action in plugging the leaks. Even while the suspects were under investigation, they continued to be privy to the most sensitive U.S. nuclear secrets. As a result, the committee withholds $1 billion in funding in the bill until Congress either restructures the agency or establishes an independent agency to oversee and manage their operations. Although everyone agrees that changes must be made, lawmakers and the administration differ over how best to implement changes within the department.

FY 2000 Energy and Water Appropriations

(in billions of dollars)



Source: House Appropriations Committee

Provisions:

Title I — Department of Defense, Army Corps of Engineers

H.R. 2605 appropriates $4.2 billion for the Army Corps of Engineers, $91 million more than in FY 1999 and $283 million more than the president's request. For more than 170 years, the Army Corps of Engineers has maintained and operated harbors and shipping routes along inland waterways, controlled floods and erosion, and managed much of the nation's water resources infrastructure.

General Investigations. The bill provides $159 million for Corps project studies, $3 million less than in FY 1999 and $24 million more than the president's request. The general investigations account provides funds for geographical surveys and feasibility studies to determine the costs and benefits of proposed projects and whether they can be completed within a budget or time constraint. The bill appropriates funds for studies in 44 states, Puerto Rico, American Samoa, and the Virgin Islands.

Construction. The measure allocates $1.4 billion for construction projects in 40 states, $52 million less than in FY 1999 and $173 million more than the president's request. Typical projects include building embankments, breakwaters, locks, and dams.

Mississippi River Flood Control. H.R. 2605 appropriates $313 million for flood control projects along the Mississippi River and its tributaries in Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee, $10 million more than last year and $33 million more than the president's request.

Energy and Water Appropriations, FY 2000

Appropriation Account	FY 1999* Level	President's Request	**FY 2000 Proposal**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Department of Defense					
Army Corps of Engineers	$4,097.2	$3,905.8	$4,188.4	+2.2%	+7.2%
Department of the Interior					
Completion of Central Utah Project	$42.5	$39.4	$37.2	-12.5%	-5.5%
Bureau of Reclamation	$782.1	$856.6	$784.7	+0.3%	-8.4%
Department of Energy	$17,060.8	$17,077.2	$15,553.5	-8.8%	-8.9%
Independent Agencies					
Appalachian Regional Commission	$66.4	$66.4	$60.0	-9.6%	-9.6%
Denali Commission	$20.0	$0.0	-$18.0		
Defense Nuclear Safety Board	$16.5	$17.5	$16.5	0.0%	-5.7%
Nuclear Regulatory Commission	$20.2	$23.0	$23.0	+13.9%	0.0%
Tennessee Valley Authority	$0.0	$7.0	$0.0	0.0%	-100.0%
Supplemental Appropriations	$50.0	$0.0	$0.0	-100.0%	0.0%
Nuclear Waste Technical Review Board	$2.6	$3.2	$2.6	0.0%	-17.5%
Subtotal, Independent Agencies	$175.7	$117.1	$84.1	-52.1%	-28.2%
Scorekeeping Adjustments	-$1,088.7	-$438.3	-$458.0	-57.9%	+4.5%
TOTALS	$21,069.6	$21,557.7	$20,189.9	-4.2%	-6.3%

Source: House Appropriations Committee

** FY 1999 levels include $665 million in emergency appropriations form P.L. 105-277 and P.L. 106-31.*

General Operations and Maintenance. The bill provides $1.9 billion for general operation and maintenance projects in 50 states and the District of Columbia, $136 million more than in FY 1999 and $53 million more than the president's request. Typical activities include repairs, environmental impact studies, seismic studies, maintenance dredging, engineering, and other duties associated with normal maintenance and improvements to the nation's water resources.

Regulatory Program. The measure appropriates $117 million for salaries and related costs to enforce navigable waters and wetlands laws, $11 million more than last year and $7 million more than the president's request. The bill requires the administration to implement a full administrative appeals process for wetlands decisions, including determining which agency has jurisdiction over particular waterways as directed by Congress in previous fiscal years; the measure includes $5 million for this purpose.

Formerly Utilized Sites Remedial Action Program (FUSRAP). In FY 1998, Congress transferred responsibility for cleanup of contaminated sites under FUSRAP to the U.S. Army Corps of Engineers. FUSRAP provides funds to cleanup radioactive contamination at non-federal nuclear weapons test sites. The bill fully funds the president's request of $150 million for FY 2000, $10 million more than in FY 1999. The increased funding is expected to result in the completion of cleanup at these sites by 2002. Currently, the sites are expected to be cleaned up by 2016.

General Expenses. The bill fully funds the president's request of $148 million, equal to last year's funding, for the office of the Chief of Engineers, the Corps' division offices, and certain research and statistical functions performed by Corps administrators.

The committee appropriates $822 million, $74 million less than the president's request and $3 million less than last year, to fund the Bureau of Reclamation, various restoration funds, and water construction programs.

Central Utah Project

H.R. 2605 provides $37 million, $5 million less than the FY 1999 level and $2 million less than the president's request, to complete the Central Utah Conservancy District projects as prescribed by the Central Utah Project Completion Act (*P.L. 102-575*). The Central Utah project constructs reservoirs and aqueducts to divert water from the Colorado River to cities in central Utah.

Bureau of Reclamation (BuRec)

The measure provides $785 million for BuRec in FY 2000, $3 million more than in FY 1999 and $72 million less than the president's request. BuRec is the largest supplier and manager of water in the western United States. The bureau reports that it provides water to approximately 31 million people, generates around 60 billion kilowatt-hours of energy from hydroelectric power each year, and delivers irrigation water to approximately 10 million acres of farmland. BuRec's assets include 345 reservoirs, 52 hydroelectric power plants, and over 300 recreation sites.

Water and Related Resources. BuRec has consolidated the general investigations, construction program, and operation and maintenance accounts into a water and related resources budget category. The bill provides $605 million for this category, $14 million less than the FY 1999 level and $48 million less than the president's request.

California Bay-Delta Ecosystem Restoration. The bill provides $75 million, the same as last year and $20 million less than the president's level, to restore the ecosystem in the California bay-delta area (San Francisco Bay/Sacramento-San Joaquin delta) and for other projects like developing better methods for efficient water use and ground water storage. The California Bay-Delta Environmental and Water Security Act (*P.L. 104-133*) authorized $143.3 million for the program over the next five years.

Loans Program. The measure fully funds the president's request of $12.4 million—$4 million more than in FY 1999—for loans and/or grants to non-federal organizations for construction or repair of small water resource projects.

Central Valley Project Restoration Fund. The bill provides $47 million, equal to the president's request but $14 million more than last year's request, for the Central Valley Project Restoration Fund. Established by the 1992 Central Valley Project Improvement Act (*P.L. 102-575*), the fund collects irrigation surcharges from farmers using Central Valley Project (CVP) water to pay for improvements to fish and wildlife habitats damaged by the CVP in California.

Policy and Administration. The bill provides $45 million, $2 million less than last year and $4 million less than the president's request, to provide executive direction and management of all Reclamation activities.

Department of Energy Programs, FY 2000

Appropriation Account	FY 1999* Level	President's Request	**FY 2000 Proposal**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Energy Supply, Research and Development	$727.1	$834.8	$577.6	-20.6%	-30.8%
Non-Defense Environmental Mgt.	$431.2	$330.9	$327.2	-24.1%	-1.1%
Uranium Enrich. Decontamination and Decommissioning Fund	$220.2	$240.2	$240.2	+9.1%	0.0%
General Science and Research	$2,682.9	$2,839.2	$2,718.6	+1.3%	-4.2%
Nuclear Waste Disposal Fund	$169.0	$258.0	$169.0	0.0%	-34.5%
Env. Restoration & Waste Management**					
Defense	($5,576.8)	($5,785.8)	($5,440.3)	-2.4%	-6.0%
Non-Defense	($651.4)	($571.1)	($567.4)	-12.9%	-0.6%
Atomic Energy Defense Activities	$12,415.0	$12,220.7	$11,204.1	-9.8%	-8.3%
Departmental Administration (net)	$63.9	$123.5	$86.9	+35.9%	-29.6%
Office of Inspector General	$29.0	$30.0	$30.0	+3.4%	0.0%
Power Marketing Administrations	$237.5	$199.9	$199.9	-15.8%	0.0%
Emergency Appropriations	$85.0	$0.0	$0.0	-100.0%	0.0%
Federal Energy Regulatory Comm.					
Salaries and Expenses	$167.5	$179.9	$175.0	+4.4%	-2.8%
Revenues Applied	-$167.5	-$179.9	-$175.0	+4.4%	-2.8%
TOTALS	$17,060.8	$17,077.2	$15,553.5	-8.8%	-8.9%

Source: House Appropriations Committee

** FY 1999 levels includes $665 million in emergency appropriations form P.L. 105-277 and P.L. 106-31.*

***Defense funds are appropriated through the Atomic Energy Defense Activities line item; non-defense funds are appropriated through the Energy Supply, Research & Development Activities and the Uranium Supply & Enrichment Activities. They are noted here for informational purposes.*

Title III — Department of Energy (DOE)

H.R. 2605 provides $15.5 billion for the Department of Energy, $1.5 billion less than both FY 1999 and the president's request. The bill withholds $1 billion in appropriated operating funds for DOE until after June 30, 2000 and Congress enacts legislation to restructure DOE's national security programs or creates an independent agency. The committee hopes that this delay will give Congress time to craft bipartisan legislation. The funding is being withheld because the committee believes that the department's confusing field structure and overlapping lines of responsibility have created an organization with ineffective management, little accountability, and high costs.

Established in 1977, DOE is responsible for formulating and overseeing the nation's energy policy. It receives funding from both the Interior and the Energy & Water Appropriations bills. The bill provides funds for DOE research and development, uranium production, nuclear waste disposal, defense-related nuclear activities, the regional Power Marketing Administrations (PMAs), and other programs.

The bill makes a number of funding reductions to eliminate what the committee identifies as wasteful spending at the agency. The bill directs the department to eliminate all funding for contractor lobbying and marketing activities. Additionally, a recent GAO study outlined the department's $250 million for contractor travel last year. These costs included airfare, entertainment fees, and conference fees abroad that could have been done via teleconferencing or the Internet. Consequently, the committee reduced funding for this function by 50 percent.

Energy Supply Activities

The bill appropriates $576 million, $150 million less than last year and $257 million less than the president's request, for solar and other renewable energy programs, advanced nuclear technologies, environmental, and safety and health programs.

Solar and Renewable Energy Programs. The measure decreases the appropriation for solar and renewable energy programs by $39 million from FY 1999 to $326 million, $120 million less than the president's request. This account funds research into solar water heating building technology, of solar power conversion, bio-fuels energy systems, wind energy systems, hydropower, and various other programs.

Nuclear Energy Programs. The bill provides $266 million, $18 million less than last year, for civilian reactor research, space and defense power systems, and civilian nuclear waste R&D. These programs address the entire spectrum of nuclear issues including safety, efficiency, advanced fuels, and long-term storage of wastes.

Environment, Safety, and Health. The measure allocates $37 million, $14 million less than the president's request, for programs to ensure the safety of DOE workers and the public, as well as the protection of DOE property and the environment.

Non-Defense Environmental Management

The bill provides $431 million for DOE's non-defense activities dealing with radioactive/hazardous waste and improvements to wastewater treatment plants, groundwater restoration, and construction of hazardous waste facilities, $104 million less than in FY 1999 and $4 million less than the president's request.

Uranium Enrichment Decontamination and Decommissioning Fund (D&D)

The bill provides $240 million to support remedial actions, waste management, and maintenance for sites leased by the Uranium Supply and Enrichment Corporation (USEC) and the Energy Department, $20 million more than FY 1999 and equal to the president's request.

Science

The measure provides $2.7 billion for high energy and nuclear physics, technology research, basic energy sciences, biological and environmental research, and other energy research, which where formerly part of the energy research and development category. The bill provides $36 million more than FY 1999 and $121 less than the president's request.

High Energy Physics. H.R. 2605 provides $716 million, $18 million more than the president's request and $19 million more than FY 1999, for research devoted to understanding subatomic matter.

Nuclear Physics. The bill provides $358 million, $23 million more than last year and $5 million more than the president's request, to research the structure of atomic nuclei.

Biological and Environmental Research. The bill provides $406 million for biological and environmental cleanup research, $37 million less than last year. The bill excludes funding set aside for the Garden State Cancer Center.

Basic Energy Sciences. The measure allocates $736 million, $73 million less than last year and $152 million less than the president's request, to promote cooperative efforts between DOE and the nation's universities to promote basic energy research. The bill earmarks $7 million for the Experimental Program to Stimulate Competitive Research (EPSCoR). The bill also prohibits the department from restarting the High-Flux Beam Reactor.

Other Energy Research Programs. The bill provides $143 million for the computational and technology research program, $55 million less than President Clinton's request. The bill does not provide funds for the Next Generation Internet, a program to upgrade computer and Internet hardware and software at laboratories and universities, because private companies are already investing billions of dollars in Internet activities.

Nuclear Waste Disposal Fund

The Nuclear Waste Disposal Fund was created to facilitate the construction and operation of a waste management system for the disposal of spent nuclear fuel and high-level radioactive waste from both commercial and defense-related atomic energy activities, and is financed through the collection of fees from the owners and generators of the waste. Currently, waste is stored at 109 commercial nuclear reactors, as well as at temporary DOE storage facilities throughout the country. In 1987, Congress designated and began preliminary studies on a permanent, consolidated disposal site at Yucca Mountain, in the Nevada desert. Originally, the facility was supposed to be ready to receive waste by 1998. Numerous delays, however, have pushed that date back to 2010 at the earliest.

In response to these delays, and the anticipated expense of building a permanent facility, the committee decided to suspend the Yucca Mountain project and instead focus on building an interim facility. However, authorization for an interim facility has been stalled and further action is uncertain. Should the interim facility receive authorization, the bill appropriates $169 million. Funding for the site will total $281 million, of which $112 million is from the Defense Nuclear Waste Disposal account.

Departmental Administration

The bill provides $194 million—$7 million less than in FY 1999 and $47 million less than the president's request—which together with expected revenues of $107 million will fund general management and program support functions to benefit all elements of DOE.

Office of the Inspector General

The measure allocates $30 million for department-wide audit, inspection, and incentive functions to correct administrative mismanagement, $1 million more than in FY 1999 and equal to the president's request.

Atomic Energy Defense Activities

H.R. 2605 provides $11.2 billion for the Energy Department to pursue defense-related atomic energy activities, $1.2 billion less than in FY 1999 and $1 billion less than the president's request. Specific appropriations are detailed below.

Weapons Activities. The bill appropriates $4 billion to preserve nuclear weapons technology and maintain the reliability and safety of the weapons in the nation's nuclear stockpile, $400 million less than FY 1999 and $525 million less than the president's request.

Defense Environmental Restoration and Waste Management. The bill provides $4.2 billion, $346 million less than the president's request and $152 million less than in FY 1999, for environmental clean-up at sites where DOE has carried out defense-related nuclear energy research resulting in radioactive, hazardous, and mixed-waste contamination.

Defense Facilities Closure Projects. The bill provides $1 billion, $16 million more than last year and equaling the president's request, for the Defense Facilities Closure Projects account which includes funding for sites that have established a goal of completing cleanup by FY 2006. After completing cleanup, no further departmental mission is envisioned, and the sites will be available for alternative uses.

Defense Environmental Management Privatization. The bill provides $288 million, $357,000 less than last year and equal to the president's request, for the Defense Environmental Management Privatization program. These funds pay for private-sector environmental clean up of various DOE sites.

Other Defense Activities. The measure provides $1.7 billion, $45 million more than in FY 1999 and $146 million more than the president's request, for a variety of defense-related nuclear programs, including verification and control of nuclear technology, nuclear safeguards, security investigations and evaluations, the Office of Nuclear Safety, worker and community transition assistance, fissile materials control and disposition, emergency management, and naval reactor development.

Power Marketing Administrations

The bill appropriates $200 million, matching the president's request and $38 million less than the FY 1999 level, to fund operations and maintenance for Southeastern and Western Area Power Administration and the Falcon and Amistad hydroelectric facilities operating and maintenance funds.

Nuclear Regulatory Commission (NRC)

The bill appropriates $175 million to pay for salaries and expenses for the NRC that regulates commercial nuclear energy production. By law, the NRC must recover all funds appropriated to it, except those received from the Nuclear Waste Fund.

Title IV — Independent Agencies

Appalachian Regional Commission.

The bill provides $60 million, $6 million less than both last year and the president's request, for the Appalachian Regional Commission (ARC). The ARC is a regional economic development agency representing a partnership of federal, state, and local governments. It was established in 1965 and is composed of the governors of the 13 Appalachian states and a federal co-chairman who is appointed by the president.

Defense Nuclear Facilities Safety Board

The bill provides $16.5 million, the same amount as last year and $1 million less than the president's request, for salaries and expenses of the Defense Nuclear Facilities Safety Board. Composed of five members appointed by the president, the board was created by the 1989 National Defense Authorization

Act to provide advice and recommendations regarding public health and safety issues at DOE's defense-related nuclear facilities.

Nuclear Regulatory Commission (NRC)

The bill appropriates $23 million (net) for the NRC, which regulates and licenses commercial nuclear energy production. By law, the NRC must recover all funds appropriated to it, except those received from the Nuclear Waste Fund. In FY 2000, the committee expects the NRC to take in the same amount in revenues from licenses and annual fees, leaving a net appropriation of zero. This net appropriation matches the president's request and is $3 million higher than last year. The bill directs the commission to write a report detailing: (1) lessons learned from initial license renewal reviews and what actions are being take to ensure the two-year timetable will be sustained and improved upon for future license renewal applicants; and (2) existing regulations and suggestions to reform those that are outdated or paperwork intensive to a set of regulations that are performance based.

Office of the Inspector General

The measure allocates $6 million for the Office of the Inspector General, all of which must be recovered through licenses and annual fees.

Nuclear Waste Technical Review Board

The bill provides $3 million for the board to evaluate the technical and scientific validity of the DOE's nuclear waste disposal activities, the same amount as last year and $550,000 less than the president's request.

Tennessee Valley Authority (TVA)

No funds were appropriated for the TVA, which received no funding last year, but for which the president requested $7 million for FY 2000. Established during the New Deal, the TVA is responsible for, among other things, maintaining a regional system of dams, reservoirs and navigation facilities; refurbishing out-moded public facilities and structures; and managing and maintaining over 300,000 acres of public land and 11,000 miles of shoreline. TVA also conducts rural economic development activities to maintain a competitive regional economy and improve minority economic development, waste management technology, education, and work force training.

Title V — General Provisions

H.R. 2605 includes a number of general provisions. Specifically, the measure (1) prohibits the use of pending appropriations from being used in any way, directly or indirectly, to influence congressional action on any legislation pending before Congress; (2) requires that agencies receiving funds from the bill to purchase only American-made products to the greatest possible extent; (3) extends for one-year the authority of the NRC to collect fees and charges to offset appropriated funds; (4) prohibits the use of funds for proposing or issuing rules or regulations to implement or prepare to implement the Kyoto Protocol; and (5) directs the Chief of Engineers to submit a report outlining plans for an improved and streamlined project decision, review, and agreement process.

Costs/Committee Action:

CBO estimates that enactment of H.R. 2605 will result in discretionary outlays of $12.1 billion in FY 2000, $6.3 billion in FY 2001, $1.3 billion in FY 2002, $83 million in FY 2003, and $205 million in FY 2004 and beyond.

The Appropriations Committee reported the bill by voice vote on July 20, 1999.

Other Information:

"Appropriations for FY 2000: Energy and Water Development," *CRS Report RL 30207* June 24, 1999; "Plan for New Agency Gains Steam Over Richardson's Objections" *Congressional Quarterly Weekly Report*, June 26, 1999, p.1559.

Brendan Shields, 226-0378

FY 2000 District of Columbia Appropriations Act

H.R. 2587

Committee on Appropriations
H.Rept. 106-249
Submitted by Mr. Istook on July 22, 1999

Floor Situation:

The House is scheduled to consider H.R. 2587 on Tuesday, July 27, 1999. The Rules committee is scheduled to meet on the bill at 5:00 p.m. on Monday, July 26. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

Highlights:

H.R. 2587 appropriates $453 million for the federal payment to the District of Columbia (D.C.), $59.3 million more than the president's request and $230.6 million less than FY 1999 (included in the FY 1999 appropriations bill was $64 million in emergency funding for Y2K conversion). This funding pays for the operation of the Nation's Capital, D.C. correctional activities, and D.C. courts. Of this amount, the bill provides (1) $183 million for the Corrections Trustees operations; (2) $100.7 million for operating city courts; and (3) $17 million for the D.C. Resident Tuition Support program. Finally, the bill approves the $6.8 billion District budget (including $1.4 billion for a six-year capitol outlay program), $4.3 million less than FY 1999 and $40.6 million more than the president's request.

The bill also:

* prohibits money from being spent on needle exchange programs in D.C.;

* makes permanent the authorization for charter schools, allows charter schools access to funds for construction and repair of elementary and secondary schools, and allows preference for siblings of charter schools in the admissions process;

* provides $8.5 million to create incentives to adopt children in the District's foster care system;

* provides $33.3 million for a new appropriation account for attorney programs for indigent defendants, child abuse, and guardianship cases administered by District courts;

* provides $150 million for a budget reserve, as required by the FY 1999 D.C. Appropriations Act (*P.L. 105-277*), to prevent the District from budget deficit;

* prohibits federal funds from being used to sue Congress for voting representation;

* continues to prohibit the use of any federal or district-raised funding to provide abortions, except in the case of rape, incest, or danger to the mother's life;

* caps the hourly rate of compensation at $50 for attorneys who represent a party in litigation against brought against the District of Columbia Public Schools under the Individuals with Disabilities Act; and

* ratifies the Tax Parity Act passed by the D.C. City Council. This local measure provides $59 million in tax relief for D.C. residents.

Sticking Points

The bill contains several provisions that are likely to become the subject of floor debate or amendment. Some of these include the following:

* **Abortion.** The bill currently restricts the use of federal funds to provide abortions except when the mother's life is at stake or in instances of rape or incest. Proponents argue that taxpayers should not be forced to fund a procedure they have severe moral objections to, while critics contend that the federal government should let the District government make this decision.

* **Cap on Attorney Fees.** The bill caps the hourly rate of compensation at $50 for attorneys who represent a party who prevails in litigation against the District of Columbia Public Schools under the Individuals with Disabilities Act. The D.C. Public Schools requested the addition of this provision. Court-appointed attorneys in the District currently receive this $50 hourly rate. Proponents believe the cap is fair, especially when attorney's representing those facing death row receive this hourly rate. They argue that this provision will benefit the public schools, as the money spent on attorney fees could be better used in providing compensation for those who prevail in lawsuits or to improve education at D.C. schools. Opponents argue that the federal government should not place restrictions on issues over which the city should have jurisdiction.

* **Needle Exchange Programs.** The prohibits the use of federal funds for needle exchange programs. Proponents of these programs argue that providing clean needles to drug users encourages drug use. They believe this sends mixed signals on the war on drugs effort and that public funds should not support a habit which is illegal. Opponents argue that needle exchange programs are beneficial in preventing the spread of HIV and that the federal government should not place restrictions on District funds.

Background:

For much of the last decade, the District of Columbia has endured a string of economic crises. Chronic budget deficits inflicted a devastating toll on municipal services. Past budget shortfalls have caused public schools to open late or not at all. Funding shortfalls persisted for police, fire, public works (including tapwater, wastewater, and garbage pickup), and Medicaid. Citizens have been especially appalled by the District's inability to adequately provide public education for D.C. children and protect its residents from crime. In November 1990, the District's Commission on Budget and Financial Priorities advised D.C. officials of an "immediate fiscal crisis" that would occur due to a lack of budget funds to meet obligations. While city officials tried to mask a balanced budget by delaying debt payments and redefining budget items, the deficit continued to climb. Overall, the city requested over $1 billion in emergency appropriations between 1991 and 1994.

To hold the District more accountable, Congress created the D.C. Control Board in 1995. The board was granted oversight over all D.C. fiscal matters, including borrowing money from the Treasury and private sources. The board was authorized to assume direct management control over the city's fiscal affairs in areas where it was unable to meet its financial obligations or payroll, provide essential public services, or pay an excess number of accounts which are more than 30 days in arrears. In fiscal years 1997 and 1998 the district achieved budget surpluses and for FY 1999, a $282 million surplus is expected. The FY 1999 D.C. Appropriations Act (*P.L. 105-277*) requires the inclusion of a $150 million operating reserve in any budget submitted for congressional approval beginning in FY 2000. Based on this provision, the District's proposed FY 2000 budget will produce a surplus of $313 million.

In November 1998, the city elected Anthony Williams to be mayor of the District, replacing Marion Barry, whom many critics blamed largely for creating the District's financial dilemma. The new mayor has made necessary changes to the city's legislative body and school board, and has overseen a continued reduction in the crime rate. Responding to the city's progress, earlier this year Congress enacted the District of Columbia Management Restoration Act (*P.L. 106-1*), which restored management authority for the daily operation of the city's nine largest departments to the mayor.

Provisions:

— Federal Funds —

Tuition Assistance for District Graduates. The bill provides $17 million for a new tuition program to compensate qualified D.C. residents for the difference between in-state and out-of-state tuition at institutions of higher learning. These funds are contingent on enactment of the authorizing legislation, H.R. 974, which passed the House on May 24, 1999. Participants would be allowed to apply tuition assistance at both private and public institutions.

Incentives for Adopting Children. The bill provides $8.5 million to create incentives for the adoption of children in the District's foster care system. The District's Child and Family Services Agency promotes and facilitates adoptions of District children. The number of cases handled by the agency has risen from approximately 2,600 cases in December 1997 to 3,300 in September 1998.

Citizens Complaint Review Board. The bill provides $1.2 million for the initial startup and operations of the Citizens Complaint Review Board. The board will provide the citizens of the District with an independent and impartial review and adjudication process for complaints against officers of the Metropolitan Police Department and Special Police Officers.

Department of Human Services. The bill provides $250,000 to fund a mentoring program for at-risk children and a resource hotline for low-income residents in D.C. in the District's Department of Human Services.

Correction Trustee Operations. The bill provides $183 million, $1.8 million less than last year and $7 million more than the president's request, to assist the Corrections Trustee operation with the transition of

Federal Funds for the District of Columbia, FY 2000

Appropriation Account	FY 1999 Level (in millions)	President's Request (in millions)	**FY 2000 Proposal** (in millions)	% Change from Last Year	% Change from Request
DC Resident Tuition Support	$0.0	$0.0	$17.0	0.0%	0.0%
Incentives for Adoption of Foster Chil	$0.0	$0.0	$8.5	0.0%	0.0%
Citizens Complaint Review Board	$0.0	$0.0	$1.2	0.0%	0.0%
Federal Payment for Human Services	$0.0	$0.0	$0.3	0.0%	0.0%
MetroRail Improvements & Expansion	$25.0	$0.0	$0.0	-100.0%	0.0%
Management Reform	$25.0	$0.0	$0.0	-100.0%	0.0%
Boys Town USA	$7.1	$0.0	$0.0	-100.0%	0.0%
Capital Infrastructure Fund	$18.8	$0.0	$0.0	-100.0%	0.0%
Environmental Study & Related Activities at Lorton Complex	$7.0	$0.0	$0.0	-100.0%	0.0%
Corrections Trustee Operations	$184.8	$176.0	$183.0	-1.0%	+4.0%
Fed. Payment D.C. Courts	$128.0	$137.4	$100.7	-21.3%	-26.7%
Defender Services in D.C. Courts	$0.0	$0.0	$33.3	0.0%	0.0%
Court Services & Offender Supervision Agency	$59.4	$80.3	$105.5	+77.6%	+31.4%
Metropolitan Police	$1.2	$0.0	$0.0	-100.0%	0.0%
Fire Department	$3.2	$0.0	$0.0	-100.0%	0.0%
Georgetown Waterfront	$1.0	$0.0	$0.0	-100.0%	0.0%
Historical Society for City Museum	$2.0	$0.0	$0.0	-100.0%	0.0%
National Museum of American Music & Downtown Revitalization	$0.7	$0.0	$0.0	-100.0%	0.0%
U.S. Park Police	$8.5	$0.0	$0.0	-100.0%	0.0%
Waterfront Improvements	$3.0	$0.0	$0.0	-100.0%	0.0%
Mentoring Services	$0.2	$0.0	$0.0	-100.0%	0.0%
Hotline Services	$0.1	$0.0	$0.0	-100.0%	0.0%
Public Charter Schools	$15.6	$0.0	$0.0	-100.0%	0.0%
Medicare Coordinated Care Demonstration Project	$3.0	$0.0	$0.0	-100.0%	0.0%
Children's National Medical Cntr	$1.0	$0.0	$3.5	+250.0%	0.0%
National Revitalization Financing:					
Economic Development	$25.0	$0.0	$0.0	-100.0%	0.0%
Special Education	$30.0	$0.0	$0.0	-100.0%	0.0%
Year 2000 Information Tech.	$20.0	$0.0	$0.0	-100.0%	0.0%
Infrastructure & Econ Development	$50.0	$0.0	$0.0	-100.0%	0.0%
Y2K Emergency Funding (courts)	$2.2	$0.0	$0.0	-100.0%	0.0%
Y2K Emergency Funding	$61.8	$0.0	$0.0	-100.0%	0.0%
TOTALS	$683.6	$393.7	$453.0	-33.7%	+15.1%

Source House Appropriations Committee

placing D.C. felons in federal prisons and conducting financial oversight for all aspects of the District's Department of Corrections.

District of Columbia Courts. The bill provides $100.7 million for D.C. courts, which will be administered by the Office of Management and Budget, of which $91.7 million is provided for operation costs.

D.C. Courts Defender Services. The bill provides $33.3 million for a new appropriation account for attorney programs for indigent defendants, child abuse, and guardianship cases administered by District courts.

Offender Supervision, Defender, and Court Services Agency. The measure provides $105.5 million for FY 2000 for the District Offender Supervision, Defenders, and Court Services Agency. This is an increase of $46.1 million from FY 1999. The purpose of this agency is to reorganize and operate the functions of pretrial services, defense services, parole, adult probation, and offender supervision as ordered by the 1997 Revitalization Act. In addition, the bill provides $25.2 million for increased drug testing, intervention, and treatment.

Children's National Medical Center. The bill provides $3.5 million for construction, renovation, relocation, and information technology infrastructure for the completion of the Children's National Medical Center, a pediatric health initiative for high-risk children in medically undeserved areas of D.C.

— *District Operating Expenses* —

Governmental Direction and Support. The bill provides $162.4 million, $1.8 million less than in FY 1999 and $12.3 less than the District requested, for programs that provide government administration and oversight, including the Office of the Mayor, Budget, and Financial Management.

Economic Development and Regulation. The bill earmarks $190.3 million, equal to the District's request and $31.3 million more than in FY 1999, for programs that support land-use planning and zoning for housing and community development projects, employment and consumer affairs, along with departments to promote economic development and tourism.

Public Safety and Justice. The budget funds $785.7 million, $7 million more than the District request and $29.9 million more than FY 1999, for local law enforcement, fire, and emergency services personnel. The account formerly provided funds for D.C. courts and the department of corrections, which are now part of the federal contribution. The Metropolitan Police department has been instructed to submit quarterly reports to the proper House and Senate committees detailing efforts to increase efficiency, improve professionalism, and the status of crime reduction.

Public Education System. The budget provides $867.4 million, $78.5 million more than in FY 1999 and $17 million more than the District's request, for programs including the public schools and library, the teacher's retirement system, the University of the District of Columbia (UDC), and the Arts and Humanities Commission. Included in this amount is $27.9 million from local funds for public charter schools for FY 2000. In addition, the bill (1) makes the authorization for D.C. charter schools permanent; (2) allows charter schools access to funds for construction and repair; and (3) gives preference to siblings of children at charter schools.

Human Support Services. The bill allocates $1.5 billion, $11.6 million more than last year and $365,000 more than the District requested, for programs that meet the health and welfare needs of individuals and families in the District, along with efforts to achieve racial diversity and gender fairness in practices of employment and education.

Public Works. The bill provides $271.4 million, $4.5 million more than in FY 1999 and equal to the District's request, for public works projects, including programs to maintain the District's physical infrastructure and the oversight of public transit systems.

District Budget, FY 2000

Appropriation Account	FY 1999 Level	President's Request	**FY 2000 Proposal**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Operating Expenses					
Govt. Direction & Support	$164.1	$174.7	$162.4	-1.1%	-7.0%
Econ. Dev. & Regulation	$159.0	$190.3	$190.3	+19.7%	0.0%
Public Safety and Justice	$755.8	$778.7	$785.7	+4.0%	+0.9%
Public Education System	$789.0	$850.4	$867.4	+9.9%	+2.0%
Human Support Services	$1,514.8	$1,526.0	$1,526.4	+0.8%	+0.0%
Public Works	$266.9	$271.4	$271.4	+1.7%	0.0%
Reserve	$0.0	$150.0	$150.0	0.0%	0.0%
Buyouts and Mgmt Reform	$0.0	$0.0	$20.0	0.0%	0.0%
Workforce Investments	$0.0	$8.5	$8.5	0.0%	0.0%
D.C. Finan. Resp. & Mgmt Asst. Auth	$7.8	$3.1	$3.1	-59.9%	0.0%
Receivership Programs	$319.0	$337.1	$345.6	+8.3%	+2.5%
Financing and Other	$451.6	$384.9	$384.9	-14.8%	0.0%
Procurement & Mgmt Savings	-$10.0	-$21.5	-$21.5	+114.6%	0.0%
Subtotal, Operating Expenses	$4,418.0	$4,653.7	$4,694.2	+6.3%	+0.9%
Capital Outlay	$1,711.2	$1,415.8	$1,415.8	-17.3%	0.0%
Enterprise Funds					
Water and Sewer	$273.3	$279.6	$279.6	+2.3%	0.0%
Lottery and Charity Games	$225.2	$234.4	$234.4	+4.1%	0.0%
Cable Television	$2.1	$0.0	$0.0	-100.0%	0.0%
Sports Commission (STARPLEX)	$8.8	$10.8	$10.8	+23.9%	0.0%
Public Benefit Corporation	$66.8	$89.0	$89.0	+33.3%	0.0%
Retirement Board	$18.2	$9.9	$9.9	-45.7%	0.0%
Correctional Insdustries	$3.3	$1.8	$1.8	-45.7%	0.0%
Dept. Ins. & Sec. Regulations	$7.0	$0.0	$0.0	+22.8%	0.0%
Public Service Commission	$5.0	$0.0	$0.0	+11.1%	0.0%
Office of People's Counsel	$2.5	$0.0	$0.0	+4.2%	0.0%
Convention Ctr. Fund	$48.1	$50.2	$50.2	+4.3%	0.0%
Office of Banking & Financial Institutions	$0.6	$0.0	$0.0	0.0%	0.0%
Subtotal, Enterprise Funds	$661.0	$675.8	$675.8	+2.2%	0.0%
Service Adjustments	$0.0	$0.0	$0.0	0.0%	0.0%
TOTALS	$6,790.2	$6,745.3	$6,785.8	-0.1%	0.0%

Source: House Appropriations Committee

Receivership Programs. The bill provides $345.6 million for receivership programs. This is $26.6 million more than FY 1999 and $8.5 million more than the District's request. This funding includes $119.4 million for Child and Family Services to support the development of healthy families, assist children and families of need, protect abused and neglected children, and provide a permanent home for all wards of the District. In addition, this amount includes $204.4 million for the Commission on Mental Health Services. The commission oversees assessment, treatment, and care programs for the mental health consumer.

Workforce Investment. The bill provides $8.5 million to accommodate (1) a six percent non-union pay increase beginning the third quarter of FY 2000; (2) an attorney pay raise of 15 percent; (3) $350,000 for the Disability Compensation Fund; and (4) $837,000 for the Defined Contribution Fund.

Reserve. The bill requires that $150 million be held as a reserve. This provision was required by the FY 1999 D.C. Appropriations Act (*P.L. 105-277*) to ensure that the District budget does not fall into deficit.

Repayment of Loans and Interest. The budget provides $382.4 million for repaying previous loans and interest on the loans.

Repayment of General Fund Recovery Debt. The bill provides $38.3 million to cover the principle and interest of bonds. The 1991 District of Columbia Emergency Deficit Reduction Act (*P.L. 102-106*) authorized the District to issue 12-year general recovery bonds to eliminate the general fund deficit.

Enterprise Funds. The budget earmarks $675.8 million, $14.8 million more than in FY 1999, for enterprise funds, which include the Water and Sewer Utility Administration, and funds for the operation of the District's Sports Commission (Starplex), Lottery, Office of Cable Television, D.C. General Hospital, Washington Convention Center, and Retirement Board, among others.

Capital Outlays. The committee recommends a net increase of $1.4 billion for FY 2000 for capital outlays, which will provide support to various D.C. programs such as law enforcement, public works, and education.

— General Provisions —

Abortion. The bill continues to prohibit the use of any federal or district-raised funding to provide abortions, except in the case of rape, incest, or danger to the mother's life.

Domestic Partners. The bill continues the prohibition of the use of any federal or district-raised funding for implementing programs that extend the same rights designated for married couples to cohabitating unmarried couples—such as domestic partners.

Marijuana Legalization Referendum. The bill prohibits the use of federal funds to conduct any ballot initiative which seeks to legalize or reduce penalties associated with the possession, use, or distribution of marijuana.

Fiscal Responsibility. The bill continues to prohibit the use of federal funds to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the D.C. government. The bill requires the D.C. government to specify in its FY 2001 budget potential adjustments that might become necessary in the case that the management savings achieved by the District do not meet the level of management savings projected in the budget.

Needle Exchnage Programs. The bill prohibits federal funds from being used for needle exchange programs.

Reporting Requirements. The bill changes the reporting requirements of the University of the District of Columbia from monthly to quarterly. The bill changes the Emergency Transitional Education Board of Trustees to the Superintendent of District of Columbia Public Schools and changes the reporting requirements from monthly to quarterly. In addition, the bill changes from monthly to quarterly the reporting requirements of the Chief Financial Officer of the District.

Attorney Fees. The bill caps the hourly rate of compensation at $50 for attorneys who represent a party who prevails in litigation brought against the District of Columbia Public Schools under the Individuals with Disabilities Act.

Victim of Violent Crime Compensation Act. The bill prohibits the use of funds in the Crime Victims Compensation Fund for administrative costs or any other purpose and directs the unobligated balance to be transferred to the U.S. Treasury.

Real Property. The bill prohibits the D.C. mayor from using funds to lease or purchase real property unless the mayor certifies that existing real property available to the District is unsuitable for intended use and the District government's surplus property is made available for sale or lease.

Prohibition on Suing Congress. The bill continues to prohibit appropriated funds from being used by the corporation council to prepare any lawsuits against Congress regarding voter representation issues for the citizens of the District.

14th Street Bridge. The bill provides $7.5 million for planning and design of lane work on the 14th Street Bridge and $5 million for environmental cleanup of the Anacostia River.

Tax Relief. The bill ratifies the Tax Parity Act passed by the D.C. City Council which provides $59 million in tax relief for D.C. residents.

Severance Pay. The bill transfers $20 million from the Financial Responsibility and Management Assistance Authority to the District government for severance pay for individuals separated from employment during FY 2000.

Costs/Committee Action:

CBO estimates that enactment of H.R. 2587 will result in outlays of $444 million for FY 2000 and $5 million for FY 2001. The bill does not affect direct spending, so pay-as-you-go procedures do not apply.

The Appropriations Committee reported the bill by voice vote on July 22,1999.

Other Information:

"Appropriations for FY 2000: District of Columbia," *CRS Report* RL30213, July 12, 1999.

Mary Rose Baker, 226-6871

FY 2000 Foreign Operations Appropriations Act

H.R. 2606

Committee on Appropriations
H.Rept. 106-254
Submitted by Mr. Callahan on July 23, 1999

Floor Situation:

The House is scheduled to consider H.R. 2606 on Tuesday, July 27, 1999. The Rules Committee is scheduled to meet on the bill at 1:00 p.m. on Tuesday, July 27. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

Highlights:

H.R. 2606 appropriates $12.7 billion in discretionary budget authority in FY 2000 for foreign assistance and export-financing programs. This amount is $20.7 billion less than the FY 1999 level (this amount includes FY 1999 emergency appropriations) and $1.9 billion less than President Clinton's FY 2000 budget request. Of the total amount appropriated, the bill provides $595.5 million for export assistance, $7.4 billion for bilateral economic assistance, $3.6 billion for military assistance, and $1.1 billion for multilateral economic assistance.

Major funding initiatives in the bill include:

* $76.5 million for voluntary peacekeeping operations (equal to the 1999 level and $53.5 million less than the president's request);

* $725 million for the Former States of the Soviet Union ($307 million less than the president's request and $76 million less than the FY 1999 level after excluding supplemental emergency appropriations);

* $680 million ($125 million more than the president's request and $30 million more than the 1999 level) for the Child Survival and Disease Programs Fund;

* $735 million ($20 million more than the president's request and $40 million less than the FY 1999 level) in economic aid for Egypt. The bill also recommends a continued decrease of $40 million annually over 10 years, which will result in a 50 percent reduction in economic aid toward Egypt. The bill does, however, fully fund the president's request of $1.3 billion for military assistance, which is equal to the FY 1999 level;

* $19.6 million for the International Fund for Ireland, which is equal to both last year's level and the president's request;

* $285 million ($24 million more than last year's level after excluding supplemental emergency funding but $10 million less than the president's request) for International Narcotics Control;

* $181.6 million ($16.4 million less than in FY 1999 after excluding emergency supplemental funding but $49.4 million less than the president's request) for nonproliferation, anti-terrorism, and demining activities;

* $240 million (equal to the FY 1999 level after excluding emergency supplemental funding but $30 million less than the president's request) for the Peace Corps.

The bill also:

* recommends a decrease in economic aid to Israel by $120 million from the FY 1999 level and the president's request to bring the total amount to $960 million; however, the bill increases Israel's total military assistance by $60 million over the FY 1999 level and equal to the president's request, to total $1.92 billion. The bill also recommends a reduction of $120 million per year toward economic assistance over the next 10 years, which will result in the eventual elimination of economic assistance for Israel;

* withholds 50 percent of the assistance to the government of Russia unless it ends nuclear and ballistic missile cooperation with Iran;

* provides $200 million, the same as the president's request, for economic assistance to Jordan, and $125 million (also the same as the president's request) for military assistance to Jordan; and

* renews the one-year waiver of section 907 of the Freedom Support Act (*P.L. 102-511*), which bans all U.S. assistance to Azerbaijan.

Sticking Points

* **Global Environment Facility.** The bill authorizes $50 million for the Global Environment Facility (GEF), $93 million less than the president's request of $143 million. The GEF is composed of 165 nations and provides grants to developing countries for environmental initiatives such as are biodiversity, climate change, ozone depletion, and international waters. Many feel that the president's $143 million request is a way to finance support for the Kyoto Treaty on global warming, for which the administration has not requested funding. Under the current bill, no funds in the bill may be used to implement the Kyoto Treaty. Amendments are expected to be offered to fund the GEF at the amount requested by the president.

* **Abortion/Family Planning.** H.R. 2606 currently provides $385 million for family planning activities, an amount equal to last year's level and $15 million less than the president's request. Mr. Smith plans to offer an amendment to restore part of the "Mexico City Policy" to prohibit U.S. assistance to foreign organizations that violate abortion laws of foreign countries or engage in lobbying activities to change such laws.

  The bill also provides $25 million for the U.S. contribution to the United Nations Population Fund (UNFPA). However, it specifically prohibits these funds from being used for programs in China or for any other programs that deal with abortions or coerced family planning practices. If the UNFPA does fund activities to China, the bill requires the U.S. to withhold an amount equal to U.S. funding to the UNFPA. Proponents of funding the UNFPA argue that the organization authorizes money for important programs that reduce child birth-related deaths and health problems around the world. Opponents, however, argue against providing funding for UNFPA because of its financial support for the Chinese government's "one child per family" population control policy, which includes coerced abortions and forced sterilization.

* **North Korea.** Recent actions by the North Korean government—such as selling missiles to Iran, possible new nuclear construction activities, and testing missiles over Japan—have made the administration's policy towards North Korea and its request for $55 million for heavy fuel oil especially controversial. Under the current bill, $35 million is authorized for this purpose. Some members have sought to eliminate U.S. aid to North Korea unless the North Korean government accepts strict restrictions and guidelines on its nuclear and weapons programs. Such measures include preventing all U.S.-North Korean nuclear agreements unless Congress enacts a joint resolution stating that North Korea has adhered with a 1994 agreement to freeze all nuclear weapons programs in North Korea and allow international inspections.

* **Armenia-Azerbaijan Conflict.** H.R. 2606 renews the one-year waiver of section 907 of the Freedom Support Act (*P.L. 102-511*), which bans all U.S. assistance to Azerbaijan. The administration, which asked Congress to renew the waiver of section 907, says that it continues to act as a handicap for U.S. negotiators who need to be perceived as fair and honest brokers to all sides. However, opponents of the repeal argue that it rewards a government in Azerbaijan that is corrupt and has engaged in ethnic cleansing.

Background:

The foreign operations appropriations bill contains the largest share—about 66 percent— of total U.S. international affairs spending, which funds U.S. contributions for multilateral foreign assistance (e.g., the World Bank Group), bilateral foreign assistance, (e.g., the Agency for International Development), military assistance (e.g., the Foreign Military Financing program), export assistance programs (e.g., the Export-Import Bank), and a variety of programs administered through the Department of State (e.g., contributions to international organizations). General funding for State Department operations is provided through the Commerce, State, Justice, and the Judiciary (C/J/S/J) appropriations bill.

Provisions:

Title I — Export and Investment Assistance

H.R. 2606 provides $595.5 million for export assistance through such entities as the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade Development Agency. This represents a decrease of $63.5 million from the FY 1999 level and a $89.5 million decrease from the president's request.

Foreign Operations Appropriations, FY 2000

Appropriation Account	FY 1999 Level	President's Request	**FY 2000 Proposal**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Title I--Export					
Ex-Im Bank	$790.4	$881.0	$799.0	+1.1%	-9.3%
OPIC	($175.4)	($244.0)	($247.5)	+41.1%	+1.4%
Trade and Development	$44.0	$48.0	$44.0	0.0%	-8.3%
Subtotal, Title I	$659.0	$685.0	$595.5	-9.6%	-13.1%
Title II--Bilateral Economic Assistance					
Agency for Int'l Dev.	$3,508.0	$2,654.8	$2,637.7	-24.8%	-0.6%
Other Bilateral Assistance	$3,990.1	$3,964.0	$3,364.6	-15.7%	-15.1%
African Dev. Foundation	$0.1	$14.4	$0.0	0.0%	-100.0%
Inter-American Foundation	$0.0	$22.3	$0.0	0.0%	-100.0%
Peace Corps	$240.0	$270.0	$240.0	0.0%	-11.1%
Department of Treasury	$87.0	$145.5	$34.5	-60.3%	-76.3%
Department of State	$1,839.4	$1,216.0	$1,136.6	-38.2%	-6.5%
Subtotal, Title II	$9,664.6	$8,287.0	$7,413.4	-23.3%	-10.5%
Title III--Military Assistance					
IMET	$50.0	$52.0	$50.0	0.0%	-3.8%
Foreign Military Financing	$3,350.0	$3,780.0	$3,470.0	+3.6%	-8.2%
Emergency Funding	$50.0	$0.0	$0.0	-100.0%	0.0%
Special Defense Acquisition	($19.0)	($6.0)	($6.0)	-68.4%	0.0%
Peacekeeping	$76.5	$130.0	$76.5	0.0%	-41.2%
Subtotal, Title III	$3,507.5	$3,956.0	$3,590.5	+2.4%	-9.2%
Title IV--Multilateral Economic Assistance					
Contrib. to Int'l Financial Inst.	$1,451.3	$1,394.5	$901.7	-37.9%	-35.3%
Int'l Organizations & Programs	$187.0	$293.0	$167.0	-10.7%	-43.0%
Subtotal, Title IV	$1,638.3	$1,687.5	$1,068.7	-34.8%	-36.7%
Title VI--International Monetary Fund					
Loans to IMF	$3,361.0	$0.0	$0.0	+100.0%	0.0%
U.S. Quota to the IMF	$14,500.0	$0.0	$0.0	0.0%	0.0%
Subtotal, Title VI	$17,861.0	$0.0	$0.0	+100.0%	0.0%
TOTALS	$33,330.4	$14,615.5	$12,668.1	-62.0%	-100.0%

Source: House Appropriations Committee

Export-Import (ExIm) Bank

The bill recommends $799 million for the ExIm Bank subsidy appropriation, an increase of $8.6 million from the FY 1999 level and a $82 million decrease from the president's request. As the official U.S. export credit agency, the ExIm Bank supports U.S. exports by lending and guaranteeing bank loans to foreign buyers of U.S. goods, as well as issuing a variety of insurance policies. The bill also contains legislative provisions (similar to prior-year provisions) that (1) limit the export of nuclear technology or fuel to certain countries; and (2) facilitate ExIm Bank activity in Eastern Europe and the Baltics.

The bill provides no additional funding for a tied-aid "war chest." Currently, $275 million remains in the "war chest" for tied-aid purposes, which may be used to support loans. Tied-aid is government-to-government concessional financing of public sector capital projects in developing countries. The aid is provided by agencies and rich governments and is more concessional that other export credit terms under the ExIm Bank.

Overseas Private Investment Corporation (OPIC)

The bill provides $55.5 million for OPIC's operating expenses and subsidy appropriation for direct and guaranteed loan credit programs, $3.5 million less than the president's request and $72.1 million less than in FY 1999. OPIC is an independent agency of the U.S. government that provides financing and political risk insurance to U.S. companies in 140 developing countries. Through financing investments and direct loans, guaranteeing investments against a variety of political risks, and providing grants for feasibility studies, OPIC attempts to foster development in the host countries while simultaneously encouraging U.S. economic growth.

The committee has added language to the bill to request that OPIC begin implementing its proposed equity funds for maritime transportation projects and for the Caribbean, Central America, and sub-Saharan Africa. The bill also requires OPIC to (1) address representation expenses and funding availability under the 1974 Federal Credit Reform Act*(P.L. 93-344*); (2) provide a quarterly report to the committee including the identity, selection process, and professional background of current and past OPIC managers, which must include the fees and compensation provided to current managers and the amount of OPIC guarantees and actual investments made at the end of the previous month; and (3) withhold presenting environmentally sensitive projects to the board of directors without completing OPIC's public information and disclosure period. The bill mandates that the disclosure period should, at the minimum, be 120 days and that the size of OPIC's environmental review staff should be significantly increased.

Trade and Development Agency (TDA)

The bill appropriates $44 million for TDA, equal to the FY 1999 level and $4 million less than the president's request. TDA provides grants to American businesses to promote exports and compete for contracts overseas. The bill allows TDA to accept reimbursements for the costs of grants in order to allow the agency to continue to move away from its exclusively grant-based status.

Title II—Bilateral Economic Assistance

H.R. 2606 provides $7.4 billion for bilateral economic assistance. This represents a decrease of $2.3 billion from the FY 199 level and a $873.6 million below the president's request.

Agency for International Development (AID)

H.R. 2606 appropriates $2.6 billion for AID programs, $870.3 million less than in FY 1999 and $17.2 million less than the president's request. Created in 1961, AID is an independent government agency that provides humanitarian aid and economic development assistance in order to further promote U.S. political and economic interests abroad. The majority of AID's funding—close to 80 percent—goes directly to firms, assisting them in creating new markets for agricultural goods and industrial exports.

Child Survival and Disease Programs Fund (CSDPF). The bill provides $680 million for the Child Survival and Disease Fund, $30 million (excluding emergency supplemental funding) more than the 1999 level and $125 million more than the president's request because it expands the Infectious Disease Initia-

Title II: Development and Economic Assistance, FY 2000

Appropriation Account	FY 1999* Level	President's Request	**FY 2000 Level**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Agency for Int'l Development					
Child Survival Fund	$650.0	$555.0	$680.0	4.6%	22.5%
Emergency Funding	$50.0	$0.0	$0.0	-100.0%	---
Development Assistance Fund	$1,225.0	$780.4	$1,201.0	-2.0%	53.9%
Central America and Caribbean Emergency Disaster Recovery Fund	$621.0	$0.0	$0.0	-100.0%	---
Development Fund for Africa	$0.0	$512.6	$0.0	0.0%	-100.0%
International Disaster Assist.	$200.0	$220.0	$200.9	0.4%	-8.7%
Emergency Funding	$188.0	$0.0	$0.0	-100.0%	---
Small Enterprise Dev. Program	$1.5	$1.5	$1.5	0.0%	0.0%
Administrative Expenses	$0.5	$0.5	$0.5	0.0%	0.0%
Urban and Environmental Credit Program	$1.5	$3.0	$0.0	-100.0%	-100.0%
Administrative Expenses	$5.0	$5.0	$5.0	0.0%	0.0%
Foreign Service Retirement & Disability Fund	$44.6	$43.8	$43.8	-1.6%	0.0%
AID Operating Expenses	$480.0	$507.7	$480.0	0.0%	-5.5%
Y2K Conversion	$10.2	$0.0	$0.0	-100.0%	—
AID Inspector General	$30.8	$25.3	$25.0	-18.7%	-1.0%
Subtotal, AID	$3,508.0	$2,654.8	$2,637.7	-24.8%	-0.6%
Economic Support Fund	$2,362.0	$2,539.0	$2,227.0	-5.7%	-12.3%
Emergency Funding	$211.5	$0.0	$0.0	—	—
International Fund for Ireland	$19.6	$0.0	$19.6	0.0%	—
Assistance for Eastern Europe	$430.0	$393.0	$393.0	-8.6%	0.0%
Emergency Funding	$120.0	$0.0	$0.0	—	—
Assistance for Former Soviet Union	$801.0	$1,032.0	$725.0	-9.5%	-29.7%
Emergency Funding	$46.0	$0.0	$0.0	-100.0%	—
Subtotal, Bilateral Econ. Asst.	$3,990.1	$3,964.0	$3,364.6	-15.7%	-15.1%
Independent Agencies					
African Dev. Foundation	$0.0	$14.4	$0.0	—	-100.0%
Inter-American Foundation	$0.0	$22.3	$0.0	—	-100.0%
Y2K Conversion	$0.1	$0.0	$0.0	—	—
Peace Corps	$240.0	$270.0	$240.0	0.0%	-11.1%
Department of State					
Int'l Narcotics Control	$261.0	$295.0	$285.0	9.2%	-3.4%
Migration & Refugee Assist.	$640.0	$660.0	$640.0	0.0%	-3.0%
Emerg, Refugee & Migration Assist.	$30.0	$30.0	$30.0	0.0%	0.0%
Anti-Terrorism Assistance	$198.0	$231.0	$181.6	0.0%	-21.4%
National Commission on Terrorism	$0.8	$0.0	$0.0	-100.0%	100.0%
Commission on Int'l Religious Freedom	$3.0	$0.0	$0.0	—	—
Emergency Funding	$706.6	$0.0	$0.0	0.0%	—
Subtotal, Department of State	$1,839.4	$1,216.0	$1,136.6	-38.2%	-6.5%
Department of the Treasury					
Debt Restructuring	$33.0	$120.0	$33.0	0.0%	-72.5%
Emergency Funding	$41.0	$0.0	$0.0	-100.0%	—
Int'l Affairs Technical Assistance	$3.0	$8.5	$1.5	-50.0%	-82.4%
U.S. Community Adjustment	$10.0	$17.0	$0.0	-100.0%	-100.0%
Subtotal, Department of Treasury	$87.0	$145.5	$34.5	-60.3%	-76.3%
TOTALS	$9,664.6	$8,287.0	$7,413.4	-23.3%	-10.5%

**The FY 1999 amount includes approximately $2 billion in emergency spending*

Source: House Appropriations Committee tive (IDI) by $25 million and increases the amount recommended for the Displaced Children and Orphans Fund. Funding levels include:

* $215 million for child survival activities;

* $30 million for displaced children and orphans;

* $75 million for the IDI. The IDI helps aide children in preventing and fighting infectious diseases such as HIV/AIDS, tuberculosis, yellow fever, malaria, and measles. The $25 million increase is in response to the dramatic increase of tuberculosis affecting children throughout the world and is part of the $100 total million spent on communicable diseases;

* $127 million for world-wide HIV/AIDS programs. This amount is part of the $145 million total allocated in this bill for HIV/AIDS;

* $98 million for basic education for children; and

* $110 million for the annual U.S. contribution to the United Nations Children's Fund (UNICEF).

In addition to the amount outlined above, the bill provides $65 million for child survival activities in the former Soviet Bloc and $12 million for basic education in other accounts.

These programs have proven to have had a direct impact on reducing infant mortality by providing immunization against common childhood diseases, oral rehydration therapy (ORT) to prevent death from dehydrating diarrhea, improved nutrition among young children (emphasizing vitamin A and vitamin C fortification), and improved birth spacing and maternal health. CSDPF consolidates funding from child support accounts in the DAF, the Development Fund for Africa (DFA), the Economic Support Fund (ESF), assistance for Eastern Europe, assistance for Russia and the Newly Independent States, and the United Nations Children's Fund (UNICEF). In past years, AID has supported child survival activities in at least 40 countries, resulting in a decline in worldwide infant mortality from 106 deaths per 1,000 births at the beginning of the 1980s to 84 deaths per 1,000 births in 1990. In AID-assisted countries, infant mortality rates have declined by an average of 10 percent since 1985, and in some countries the decline has exceeded 50 percent.

Development Assistance. In order to give the president more flexibility, the bill funds two accounts for development assistance programs currently administered by the Agency for International Development (AID). One account provides assistance grants through the Development Assistance Fund (DAF) for agricultural development, environmental protection, democracy promotion, private sector initiatives, energy and technology programs, and education and social services. The other account provides funding for child survival, children's basic education, and disease prevention and treatment activities. H.R. 2606 appropriates $1.2 billion for development assistance, $24 million less than in FY 1999 and $421.6 million more than the president's request. The bill permits $2.5 million to be transferred from this account to the International Fund for Agriculture Development.

Funding for Family Planning Programs. H.R. 2606 authorizes $385 million for family planning programs, an amount equal to last year's level and $15 million below the president's request. The bill also allows the $25 million requested U.S. contribution to the United Nations Population Fund (UNFPA). It specifically prohibits these funds to be used on programs in China and on any other programs that deal with abortions or coerced family planning practices. If the UNFPA does fund activities to China, the bill requires the U.S. to withhold an amount equal to U.S. funding to the UNFPA.

In addition, the bill continues language prohibiting voluntary family projects from using quotas, goals, or other numerical targets on an individual, local, regional, or national basis. It also requires voluntary planning projects to (1) refuse to bribe individuals in exchange for becoming a family planning acceptor or to achieve any numerical goal or quota; (2) uphold all rights and benefits to individuals who do not accept family planning services; (3) comprehensively inform family planning acceptors of the nature of the planning method chosen; (4) provide a reasonable range of options of methods of family planning; and (5) ensure that experimental methods of family planning are administered only in a scientifically controlled study in which participants are given full information about the nature of the experiment.

International Disaster Assistance. H.R. 2606 provides $200.9 million in FY 2000, $880,000 more than in FY 1999 (excluding $188 million in emergency supplemental funding) and $19.1 million less than the president's request, for relief to countries stricken by famine, flood, earthquakes, and other disasters. It also promotes emergency preparedness in disaster-prone areas.

Micro and Small Enterprise Credit Program. The bill matches the president's request of $1.5 million (equal to last year's level) to subsidize loan credits (i.e., set aside funding against potential loan losses) for micro and small enterprise groups that use the funds to make small loans to very poor citizens of other countries. Furthermore, the bill provides $500,000 for administrative expenses, equal to the president's request and last year's appropriated levels. The proposed funding level will provide $50 million in loan guarantee authority.

Urban and Environmental Credit Programs. The bill terminates funding for urban and environmental credit programs. This program currently has active urbanization programs in India, Indonesia, Morocco, South Africa, Zimbabwe, and the Czech Republic. The FY 1999 level was $1.5 million and the FY 2000 budget request was $3 million.

Foreign Service Retirement Fund. The bill fully funds the president's request of $43.8 million, $715,000 less than in FY 1999, for the Foreign Service Retirement and Disability Fund.

AID Operating Expenses. H.R.2606 provides $480 million for AID operating expenses (equal to the FY 1999 level and $27.8 million less than the president's request). The committee has expressed its concern over the New Management System (NMS) at AID, including the AID-Worldwide Accounting and Control System (AWACS). The committee continues the request that the AID report on a quarterly basis on the status of the NMS, including the cumulative costs associated with designing, correcting, and implementing the computer system.

AID Inspector General. The bill provides $25 million for the AID inspector general, $5.8 million less than the FY 1999 level and $261,000 less than the president's request. The committee has reduced funding for the office to account for the transfer of responsibility for security matters from the inspector general to the AID administrator.

Economic Support Fund (ESF). The bill appropriates $2.2 billion in FY 2000 for the ESF, $346.5 million less than in FY 1999 with supplemental emergency funding included and $135 million less than the FY 1999 level after excluding emergency appropriations. The allocated amount is $312 million less than the president's request. The bill provides $960 million ($120 million less than the FY 1999 level and $30 million more than the president's request) for aid to Israel. Furthermore, the bill recommends continuing the reduction of $120 million per year, which will result in the eventual elimination of ESF assistance for Israel. This initiative was introduced in last year's bill.

The bill recommends $735 million ($40 million less than the FY 1999 level and $20 million more than the president's request) for Egypt. The bill recommends a continued decrease of $40 million annually over 10 years, which will result in a 50 percent reduction in ESF funding for Egypt. The bill also recommends that no less than $200 million of the funds be used for the Commodity Import Program.

In addition, the bill authorizes (1) $100 million ($50 million from the ESF funding and $50 million from the Foreign Military Financing program) for Jordan's economy and national security; (2) $5 million for development programs to expand regional cooperation in combating growing desertification in the Middle East and southern Mediterranean; (3) $10 million to support Iraqi opposition groups; (4) $15 million for educational and bicommunal projects in Cyprus; (5) $3 million for Cuban democracy programs; and (6) up to $10 million for Haitian economic development funding.

ESF is the primary mechanism for providing bilateral economic assistance to countries of special concern to U.S. foreign policy. Funding decisions are made by the State Department while operations are managed by AID. Most ESF funds go to Israel, Egypt, El Salvador, and the Andean drug-producing nations. Funding is provided in many forms, including cash grants and transfers, commodity import programs, and development project aid.

International Fund for Ireland (IFI). The bill provides $19.6 million for the IFI, the same level as in FY 1999 and equal to the president's request. However, the administration included the funding under its ESF request, and not under the International Fund for Ireland. The IFI supports economic and commercial growth in the areas of Northern Ireland that severely suffered from the division of Ireland and the economic problems of the past two decades The committee expects that these funds will be used to promote job creation and investment in the Republic of Ireland and Northern Ireland.

Assistance for Eastern Europe and the Baltics. The bill provides $393 million ($37 million less than in FY 1999—excluding emergency supplemental funding—and the same as the president's request) for assistance to Eastern Europe and the Baltic States.

* **Bosnia —** The bill prohibits funding to build or repair housing or residences, unless directly related to the efforts of U.S. troops to promote peace in Bosnia and Herzegovina. The bill withholds 50 percent of the funds provided for economic revitalization until the president certifies to Congress that Bosnia is complying with the Dayton Accords regarding the presence of foreign forces and has terminated intelligence cooperation with Iran.

Assistance for Newly Independent States (NIS) of the Former Soviet Union. The bill provides $725 million—$76 million less than in FY 1999—excluding emergency supplemental funding and $307 million less than the president's request, for aid to the Ukraine, Armenia, Georgia, Russia, and the independent republics of the former Soviet Union. The committee contends that the reduction of $76 million is due to the increased violence and instability in the Southern Caucasus region, the reluctance of the Russian Federation to effectively limit nuclear and missile technology transfers to Iran, and the deteriorating investment climates in Ukraine and Uzbekistan.

The bill places significant conditions on assistance to Russia. Russia may not receive assistance unless the president determines that it has terminated arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities, or ballistic missile capability. Half of the funds allocated to Russia may be made available if the president determines it is "vital" to the national interest of the U.S.

Southern Caucusus Account. H.R.2606 renews a one-year waiver of section 907 of the Freedom Support Act (*P.L. 102-511*), which bans all U.S. assistance to Azerbaijan. The waiver has been enacted for the past three years.

Independent Agencies

Inter-American Foundation (IAF). The IAF strengthens grassroots support organizations that deliver services to poor community groups in Latin America and the Caribbean. The bill appropriates $5 million ($17.3 million less than the president's request and $15 million less than the level appropriated last year) for IAF through the Development Assistance account. The committee believes the grassroots development objectives of the foundation have now been adequately integrated into the AID.

African Development Foundation (ADF). H.R. 2606 appropriates $14.4 million ($3.4 million more than the FY 1999 level and the same as the president's request) for the African Development Foundation through the Development Assistance Fund. ADF was established in 1980 and became an operational U.S. public corporation in 1984. It works with groups and institutions involved in development projects at the local level, giving attention to Africa's poorest communities. Its stated goals are to strengthen the bonds of friendship between the U.S. and Africa, increase the opportunity for Africans to participate in their own community, and encourage grassroots development responsive to the economic and social development needs of the urban and rural poor. ADF is authorized to make grants, loans, and loan guarantees to indigenous African organizations and groups in the private and public sectors.

Peace Corps. The Peace Corps sends Americans abroad to participate in development projects to enhance international good will, generate interest in international affairs, and stimulate good citizenship and volunteerism at home. The bill provides $240 million for the Peace Corps, the same as the FY 1999 level after excluding emergency supplemental funding and $30 million less than the president's request. The bill also contains prior-year language prohibiting funds from being used to pay for abortions.

Department of State

The bill appropriates a total of $1.1 billion for several programs managed by the State Department.

International Narcotics Control Program. This program helps foreign nations counter the production, processing, and trafficking of illegal drugs. H.R. 2606 provides $285 million for the program, $10 million less than the president's request and $24 million more than FY 1999, excluding emergency supplemental funding.

Migration and Refugee Assistance (MRA). MRA provides funding for refugee camps and relief efforts around the world, such as the resettlement of refugees of the former Soviet Union and Eastern Europe to Israel. The bill appropriates $640 million, $20 million less than the president's request and the same as last year's funding level, excluding emergency supplemental appropriations. The bill provides $2 million to assist Tibetan refugees; and $60 million to resettle refugees from Eastern Europe and former Soviet republics in Israel.

U.S. Emergency Refugee and Migration Assistance Fund. The bill appropriates $30 million in FY 2000, the same as both the FY 1999 level and the president's request, excluding emergency supplemental funding. Earlier this year, Congress provided $165 million in FY 1999 emergency supplemental funding for the refugees in the Balkans.

Nonproliferation, Antiterrorism, Demining, and Related Programs. The bill consolidates funding for nonproliferation, disarmament, and antiterrorism programs (including funding for the Korean Peninsula Energy Development Organization and the International Atomic Energy Agency) into this account. The bill authorizes $181.6 million in total appropriations for this program, $16.4 million less than in FY 1999, excluding emergency funding, and $49.4 million less than the president's request.

Department of the Treasury

Debt Restructuring. The bill authorizes $33 million for debt restructuring for FY 2000, $87 million less than the president's request and the same as the FY 1999 level, excluding emergency supplemental appropriations. Of this amount, the bill provides $13 million to implement the 1998 Tropical Forest Conservation Act and $18 million for sub-Saharan Africa concessional debt relief.

International Affairs Technical Assistance. The bill authorizes $1.5 million ($7 million less than the president's request and $1.5 million less than the FY 1999 level) for international technical assistance.

U.S. Community Adjustment and Investment Program. The committee did not recommend funding for a new domestic program for community investment and adjustment within the U.S. The president requested $17 million for the program.

Title III—Military Assistance

The bill provides $3.6 billion, $83 million more than last year (excluding emergency supplemental funding) and $365.5 million less than the president's request, for the following military assistance programs.

International Military Education and Training (IMET)

H.R. 2606 provides $50 million for IMET, $2 million less than the president's request and equal to the FY 1999 level. The bill stipulates that funding for grant-financed military education and training for Indonesia and Guatemala is available only for expanded IMET programs. IMET is a Defense Department program that provides military training to foreign military officers and personnel. Expanded IMET programs involve equipment that enhances the training process. The committee has requested that the president make funds available under the E-IMET program for equipment and infrastructure requirements.

School of the Americas. The bill includes prior-year language to withhold IMET funding to support training at the School of the Americas until certain specific actions are taken by the administration. The bill also requires the Secretary of Defense to submit to the congressional Appropriations Committees by

Title III: Military Assistance, FY 2000

Appropriation Account	FY 1999 Level	President's Request	**FY 2000 Level**	% Change from Last Year	% Change from Request
	(in millions)				
International Military Education	$50.0	$52.0	$50.0	0.0%	-3.8%
Foreign Military Financing Program					
Grants to Israel and Egypt	$3,160.0	$3,220.0	$3,220.0	+1.9%	0.0%
Wye River	$0.0	$350.0	$50.0	0.0%	-85.7%
Grants to Other Countries	$170.0	$210.0	$200.0	+17.6%	-4.8%
Subsidy Appropriations	$20.0	$0.0	$0.0	-100.0%	—
Subtotal, Foreign Military	$3,350.0	$3,780.0	$3,470.0	+3.6%	-8.2%
Defense Acquisition, Offsets	$31.0	-$6.0	-$6.0	-119.4%	0.0%
Peacekeeping Operations	$76.5	$130.0	$76.5	0.0%	-41.2%
TOTALS	$3,507.5	$3,956.0	$3,590.5	+2.4%	-9.2%

Source: House Appropriations Committee

January 15, 2000, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997 and 1998.

Foreign Military Financing (FMF)

The bill appropriates $3.5 billion, $140 million more than the FY 1999 (excluding emergency supplemental appropriations) and $310 million less than the president's request, for grants, loans, and subsidies to friendly governments to help them purchase U.S. military equipment. Traditionally, the bulk of grant funds are earmarked for Israel and Egypt; for FY 2000, the committee recommends $1.92 billion in grants for Israel ($60 million more than the FY 1999 level), and $1.3 billion in grants for Egypt (equal to the president's request and the FY 1999 level). The bill also allows Israel to use $505 million of its military funding for procurement outside the U.S. The bill fully funds the president's request of $125 million for Jordan to provide increased border security and ground force modernization under King Abdullah.

Administrative Expenses. The bill limits FMF administrative expenses to $30.5 million, a $495,000 increase over the president's request.

Peacekeeping Operations

The bill appropriates $76.5 million, the same as the FY 1999 level and $53.5 million less than the president's request, for voluntary contributions to international peacekeeping operations. The reason for the $53.5 million difference between the president's request and the FY 2000 request is that the president requested funding for the Organization for Security and Cooperation in Europe (OSCE) in his request for the Balkans. According to the committee, sufficient funds exist within the total amount requested for Bosnia in the Assistance for Eastern Europe and the Baltic States Fund.

Title IV—Multilateral Economic Assistance

The bill provides $1.1 billion for assistance through multilateral institutions such as the World Bank, $569.5 million less than in FY 1999 and $618.8 million less than the president's request.

Title IV: Multilateral Economic Assistance, FY 2000

Appropriation Account	FY 1999 Level	President's Request	**FY 2000 Proposal**	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
International Financial Institutions					
Int'l Bank for Reconstruction & Dev.	$167.5	$143.3	$50.0	-70.1%	-65.1%
International Development Assoc.	$800.0	$803.4	$576.6	-27.9%	-28.2%
Multilateral Investment Guarantee Agency	$0.0	$10.0	$0.0	—	-100.0%
Inter-American Dev. Bank	$96.8	$79.1	$25.6	-73.5%	-67.6%
Asian Development Bank	$223.2	$190.7	$113.7	-49.1%	-40.4%
African Development Fund	$128.0	$127.0	$100.0	0.0%	-21.3%
African Development Bank	$0.0	$5.1	$0.0	0.0%	-100.0%
European Development Bank	$35.8	$35.8	$35.8	0.0%	0.0%
Enhanced structrial enhancement	$0.0	$0.0	$0.0	0.0%	-100.0%
Subtotal, IFIs	$1,451.3	$1,394.5	$901.7	-37.9%	-35.3%
Int'l Organizations and Programs	$187.0	$293.0	$167.0	-10.7%	-43.0%
TOTALS	$1,638.3	$1,687.5	$1,068.7	-34.8%	-36.7%

Source: House Appropriations Committee

World Bank Group

Global Environment Facility (GEF). The bill provides $50 million, $117.5 million less than the FY 1999 level and $93.3 million less than the president's request, for the U.S. contribution to the Global Environmental Facility (GEF), an International Bank for Reconstruction and Development (IBRD) program which addresses global environmental issues such as tropical deforestation.

International Development Association (IDA). H.R. 2606 fully allocates $576.6 million for IDA for FY 2000, $223.4 million less than in FY 1999 and $226.8 million less than the president's request. IDA was established in 1960 to finance high-priority economic development projects at near-market rates in less developed World Bank member countries. It does this by providing long-term credits for a nominal service charge. IDA credits are extended for 40 years for the least developed countries and 35 years for others.

Inter-American Development Bank (IADB). H.R. 2606 authorizes $25.6 million for the IADB, the same as both the FY 1999 level and the president's request. The IADB is a corporate intergovernmental organization whose capital stock is owned by member governments. It was established in 1959 to promote economic improvement in developing countries in the Western Hemisphere by extending loans for specific developmental projects. In addition to its ordinary capital lending operations, the IADB traditionally extends loans from the Fund for Special Operations (FSO) in circumstances where financing at near-market interest rates is not appropriate.

Asian Development Bank. The bill provides $113.7 million ($109.5 million below the FY 1999 level and $77 million less than the president's request) for the Asian Development Bank. Of this amount, the bill fully funds the president's request of $13.7 million for paid-in capital to the Asian Development Bank.

African Development Fund. The bill provides $100 million ($28 million less than in FY 1999 and $27 million less than the president's request) for the African Development Fund. The bill has restored funding as a downpayment, with future funding conditioned on continued recovery and progress on management reforms by the African Development Fund.

European Bank for Reconstruction and Development. H.R. 2606 appropriates $35.8 million for the bank, fully funding the president's request and equaling the FY 1999 level, to finance private-sector growth in Central and Eastern Europe.

Department of State—International Organizations and Programs

The bill appropriates $167 million, $20 million less than in FY 1999 and $126 million less than the president's request, for contributions to international organizations and programs. Much of this reduction, however, is due to the transfer of funds for UNICEF, IAEA, and the Korea Peninsula Energy Development Organization to other accounts in the bill.

United Nations Population Fund (UNFPA). A controversial program in recent years, the UNFPA provides family planning and population control assistance in over 140 countries worldwide. In many countries, rapid population growth is regarded as a major impediment to improving economic, health, education, environmental, and social conditions. The U.S. has recently partially withheld funds from this agency because of objections to its involvement in China, where the government uses forced abortions and involuntary sterilization to enforce its one-child-per-family policy.

The bill provides $25 million for the U.S. contribution to the United Nations Population Fund (UNFPA). However, it specifically prohibits these funds from being used for programs in China or for any other programs that deal with abortions or coerced family planning practices. If the UNFPA does fund activities to China, the bill requires the U.S. to withhold an amount equal to U.S. funding to the UNFPA. Proponents of funding the UNFPA argue that the organization authorizes money for important programs that reduce child birth-related deaths and health problems around the world.

United Nations Voluntary Fund for Victims of Torture. The bill allocates $3 million for the U.S. contribution to the United Nations Voluntary Fund for Victims of Torture. The funding aides international centers who help lesson the incidence of international torture and promote human rights and democracy abroad.

Title V—General Provisions

H.R. 2606 eliminates several provisions contained in last year's appropriation. These provisions are either addressed by other laws or have become unnecessary. Such provisions include the following:

* authorize the investment of grant funds and allow the board of directors to waive the $250,000 project limitation in current law for the African Development Foundation;

* prohibit the use of funds appropriated for AID operating expenses to finance the construction, purchases, or long-term leasing of offices without first notifying the congressional Appropriations committees;

* limit assistance to Iraq democratic opposition to $10 million and limit funding to groups authorized under the Iraq Liberation Act;

* reduce the cap on Middle East spending under the bill from $5.4 billion to $5.3 billion and exempt $100 million for Jordan from the cap;

* list Kosovo as a separate entity in order to avoid the inadvertent imposition of sanctions intended for Serbia; and

* prohibit funds from Title II from being transferred by the AID to an international financial institution for the purpose of repaying a foreign country's loan obligations to any such institutions.

Costs/Committee Action:

A CBO cost estimate was unavailable at press time.

The Appropriations Committee ordered the bill reported by voice vote on July 21, 1999.

Other Information:

"Appropriations for FY 2000: Foreign Operations, Export Financing, and Related Programs," Larry Nowels, *RL30211,* July 8, 1999; "Abortion Issue to Surface at Aud Markup," *Congresional Greensheets,* July 19, 1999, p. 18; " House Foreign Aid Bill Benefits from Last-Minute Budget Increase," *CQ Congressional Weekly,* July 17, 1999, pp. 1735-1738.

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